

COMMUNICATION IN FINANCIAL MANAGEMENT OF
NAVAL HOSPITALS

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PREFACE

The purpose of this paper is to emphasize the ideas on communication in financial management that the writer has acquired through practical experience in this field in naval hospitals.

Until recently financial management of naval hospitals was solidly under the control of the Commanding Officer and the Finance Officer; no other individual except the Administrative Officer was ever contacted, except at budget time, concerning recommendations for financial planning. The writer operated under this concept for years. In some areas the Finance Officers have carried this to extremes--even to the point of criticism.

The need for improvement in the control area crystallized while the writer was Finance Officer at one of the large naval hospitals. The remedial factor was effective communication, but the opportunity to utilize communication effectively in financial management was not realized until nine years later. At this time progress was made to improve financial management through effective communication with all department heads of the hospital; later this was carried out to its fullest at the U. S. Naval Hospital, St. Albans, Long Island, New York.

This paper should impress upon the reader that through effective communication, budgeting, allocation and control of

funds at the field level, will improve the financial management of the organization.

Communication creates cooperation, and cooperation will create effective teamwork. "The hospital is a team."

The work that follows was developed as the result of the cooperation given by the staffs of the U. S. Naval Hospital, Bainbridge, Maryland (1954-1957) and the U. S. Naval Hospital, St. Albans, Long Island, New York (1957-1959). Without this cooperation and assistance the improvement of financial management through communication could not have been accomplished.

CHAPTER I

INTRODUCTION

How has growth changed the problems of management? Growth in size has typically led to organizational changes. The managerial span or the number of levels of supervision or both are usually larger. The business manager has more people reporting to him. The amount of attention and, for that matter, of time that he can give to a particular aspect of the business is consequently decreased. The influence of his own experience, judgment and intuition is correspondingly reduced, as is also his contact with the day-by-day realities of each area within his span of authority. The jobs of managers down the line have been affected also. Their work is more specialized, and they lack a common view of the business as a whole.

Special means are therefore required to communicate common understanding within the framework of a variety of specialized environments. This problem is not solved by providing more volume of data for all concerned, or faster accumulation and transmittal of datum, wider distribution of previously existing data nor holding more conferences. The belief that such measures will meet the need is probably one of the great fallacies in current thinking.

In other words, there comes a time when goodwill and sitting in common council no longer provide an adequate,

effective or economical means of communicating about specific situations or accomplishing definite objectives. Traditional methods break down, and more technical and specific methods are required.

There is another problem of growth. As activities increase in volume or in diversity, how can the objectives of a top executive, which are couched in broad terms of volume in units or in dollars by product lines be intelligibly transmitted to a materials clerk whose concern is with the volume of specific pieces of hardware used generally by all product lines? The need here is again for a logical structure of information that gives reality to the objective at various levels of management or specialization. Without such information, communication both downwards and upwards--in short, integration--is bound to be ineffective.¹

Growth, then in its many forms creates a demand for specifically designed structures for communicating common understanding of objectives, trends of significance, and requirements in terms of action to meet the needs of the particular area of operation. Where these may once have been the by-products of smallness or of simplicity, growth requires that they be provided consciously, regularly and systematically.²

Growth of Hospitals

Hospitals and their growth have changed considerably

¹Melvin L. Hurni, Decision Making in the Age of Automation (Harvard Business Review, September-October, 1955), p. 49.

²Ibid., p. 50.

during this century, and they are still in a plastic state. The scope of patient services has expanded. More people utilize hospitals today than formerly. The role of the hospital and its economic structure have changed. In general the hospital has grown steadily, from a simple organic structure to a highly complex, scientific organization with a complicated structure and many challenging problems of communicating effectively with increasingly articulate constituents. The change has been so rapid that attitudes and planning have not had time to catch up.

It should be mentioned that the hospital has grown into a somewhat anomalous organization, more like a university than an industry. The relationship of line to staff and hospital to patient, the concept of need or service, the relationship between the command and various department heads, the heavy element of professionalism, the pressure of many outside requirements, and the inordinate amount of energy devoted to education and training responsibilities make the hospital, in effect, a loosely federated institution; difficult to control in terms of traditional administrative concepts of efficiency.

The Effect

The effect of the above has been to raise hospital costs. Costs will probably continue to rise because of the increasing scope of services, and higher costs of materials, supplies and labor.

It is in this area that the financial manager should play an important role. Hospital finances reach into every corner of the institution, therefore an important part of the

duties in hospital-management involves finances. This is not a new idea, nor will it probably ever become an old one. In March 1960, Ray Everett, President of the American Association of Hospital Accountants, made the following observation:

Modern hospitals of today are complex businesses. True the basic reason for the existence of our hospitals is to furnish expert timely medical care to all of our citizens as needed; but in order to be able to render that care, the business aspects of hospital administration cannot be ignored. Administrators must recognize the complexity of hospital as a business and be prepared, at all times, to deal effectively with the current and long range problems of financing hospital operations.³

It is an accepted fact that mediocre hospital management would gradually be reflected in the deterioration of the accepted standards of patient care.

Good financial management will include a permanent effort to reduce to the absolute minimum the waste in time, motion, methods and materials and with tangible proof that maximum efficiency is being maintained in these elements.

Industrialists comparing hospital management with industrial management state that a large, modern hospital is comparable to an industry of similar size with the same problems facing each. Many hospital administrators disagree wholeheartedly with this comparison, because hospitals render health services instead of creation of commodities. Today's hospitals require financial management techniques which are unique only to the hospital system.

Hospitals are subject to fluctuations in occupancy with

³Ray Everett, Better Accounting for Better Administration, Journal of Hospital Accounting, American Association of Hospital Accountants, Incorporated, March 1960), p. 8.

a non-flexible operating cost. Hospitals due to type of service rendered must maintain a 24 hour vigil and be prepared for any sudden emergency.

We have energetic medical staffs who, in an honest and sincere effort to give the finest medical care, spend the hospital dollar at the discretion of the individual doctor.

These are all factors beyond the immediate control of the Commanding Officer and his staff. This requires an administrative skill beyond that of most industries.

Then what can we consider is good hospital management? It is definitely reflected in a well-maintained physical plant and equipment. In the attitude of well-satisfied employees and in the ability of the hospital to provide the finest medical service--at the most economical cost.

Financing today's military organization is a complex and expensive task. No method has yet been devised to make it otherwise. The job facing all individuals engaged in financial planning is to first be aware of the problem, then attempt to minimize it by applying sound principles and procedures.⁴

With the inherent difficulties involved in financial management, methods must be implemented and improved upon to the benefit of the overall hospital organization. One of the means or tools which can be used for improving financial management is through effective communication.

The ability to communicate effectively is essential to everyone but the success of a manager probably depends as much upon his ability to communicate as

⁴Lt. Ernest S. Kramer, MSC, USN, Financial Planning at U. S. Naval Hospitals (Unpublished Masters Thesis, School of Government, Navy Graduate Comptrollership Program, The George Washington University, Washington, D. C., 1959), p. 3.

upon any other skill. Better communication helps get better job performance. Gaining acceptance of policies, winning co-operation of others, getting ideas and instructions clearly understood and bringing about desired changes in performance are dependent upon efficient communications.⁵

In the next chapter attention is given to a brief history of naval hospitals and to the effect of growth in relation to lines of communication. Chapter III examines the organization and mission of a naval hospital. Chapter IV covers a brief discussion on the financial organization of a naval hospital and the accounting system which has become necessary for effective operation. Chapter V describes how improvements in financial management were made through communications and Chapter VI, the conclusions reached by the writer.

⁵George R. Terry, Principles of Management
(Homewood, Illinois: Richard D. Irwin, Inc., 1956), p. 405.

CHAPTER II

BRIEF HISTORY OF NAVAL HOSPITAL

In its evolution the status of the naval hospital has climbed a long and tortuous road. The story of the birth and development of the modern naval hospital and other medical department facilities is an accurate index of the triumphs of a few determined members of the early medical corps who struggled against the indifference of those in power in order to gain decent accommodations for the Navy's sick and injured at sea and ashore.⁶

Earliest Hospitalization

The earliest type of naval hospitalization ashore permitted leaving the sick or wounded in private homes and paying for their care and subsistence on a per diem or weekly basis. This was a constant source of dissatisfaction, both among officer and enlisted men. Such services as were provided varied greatly from port to port. There was very little naval supervision and the Government often was overcharged. The type of accommodation provided the sick differed almost as widely as the quality of professional treatment. Sometimes the service was

⁶Medical Department Orientation--NavPers 10816-A, Prepared by Bureau of Medicine and Surgery for Publication by the Bureau of Naval Personnel, United States Printing Office, Washington, D. C., 1955), p. 59.

reasonably good; more often it was very bad. In Baltimore, Maryland, a physician supplied all necessary items, "except clothing and funeral expense", at the rate of 55 cents a day; while in Alexandria, Virginia, a local alms house cared for sick seamen at the higher fee of \$5 per week. Practically no naval officer and only a few seamen took advantage of such scanty accommodations.⁷

First Hospital

The opening of the first naval hospital at Portsmouth, Virginia, in 1830, was a milestone marking a significant advance in the history of naval medicine.

It was here that the Navy made its initial attempt to replace the previous makeshift methods of hospitalization with a system which would permit effective professional care for its sick and injured. Thirty-odd patients and a 5-man medical staff, was a far cry from modern naval hospitals. The one surgeon attached to the hospital lacked practically every instrument and technique that has made modern hospitals effective. There was no nursing profession as such. There was no anesthetic to kill pain, no ophthalmoscope for examining the eye, and no clinical thermometer with which to take a temperature. Even the microscope was a mere toy. Measured by modern standards, the Portsmouth hospital was rudimentary in character, but when compared with earlier methods of caring for the sick, the quality of hospital care offered at Portsmouth represented a tremendous

⁷ Ibid., p. 60.

advance in naval medicine.

In addition to setting the pace for improvements in the means and system for caring for the sick and injured, the Portsmouth hospital has influenced the planning and development of naval hospitals. The first basic plan for naval hospital administration continued as a valid pattern for succeeding naval hospital administration for years. Its ideal physical layout also set a standard for efficient planning and utilization of space which are featured in our present streamlined hospitals.

The Portsmouth hospital, during its first 61 days had operated in the "red" to the extent of \$238.64, despite its small number of patients. After a careful study of expenditures for provisions, two reasons were uncovered: patients and staff were eating too well, and evidence of fraud existed in the kitchen.

A washerwoman, held guilty of receiving a handout from the kitchen, was immediately dismissed, and the washing was put out at piecework. Next, the Commanding Officer, drew up a plan to show how hospital maintenance expenses as well as the cost of feeding, nursing and treating the sick, should be squeezed out of the 25-cent per day ration for each patient. The Commanding Officer balanced the budget by cutting the patient's food allotment in half, and by using the remainder for maintenance expenses, wages and other items. The Commanding Officer's attempt to organize Portsmouth on a "sure basis of economy and system" won him a commendation from the Secretary of the Navy, but his parsimony won him the enmity of both patients and staff.

Progress

The steady progress made in naval hospitalization system since 1830 has kept pace with the rapid strides made in civilian hospital services and medical education in the United States during the past century. In 1830 there were only 43 civilian hospitals in this country. In January 1953 there were 6,665 such approved institutions. In the same period of time the number of medical schools grew from 23 to 72. The Navy now has 26 fully equipped naval hospitals instead of the one small hospital in 1830. With this increase in the number of naval hospitals (from one to twenty-six), came a corresponding increase in patient loads; from a five-man medical staff to a medical staff of over 100 in the largest of our naval hospitals. Total staff, which includes the doctors, nurses, corpsmen, dentists, administrative personnel, and civilian employees, range from 100 up to 800, depending again upon the size of the naval hospital.

Problems

This growth has created many problems in administrative management of naval hospitals.

As an enterprise expands, its organization structure grows both vertically and horizontally. This is significant to the administration because such growth influences the number of organizational units to be coordinated, affects communication among them, raises issues dealing with complex relationships, and influences costs.⁸

⁸Terry, op. cit., p. 255 cf.

As the growth of naval hospitals increased, organization of these hospitals became more complex, and lines of communication became longer due to the pyramiding of lines of authority. Naval hospitals have grown steadily, from a simple organization to a highly complex, scientific organization with many challenging problems of communicating effectively with increasingly articulate constituents.

The above has required specific missions to be outlined and organization structures to be formulated so that the commands will operate in an efficient manner. Even to this extent there still remains numerous problems in communication.

CHAPTER III

MISSION AND ORGANIZATION OF NAVAL HOSPITALS

As members of a hospital team, we should be well aware that the central focus of the institution is the patient. As a result the purposes of administration are easily defined. Our concern then, is with the effectiveness of our administration and we may well ask ourselves frequently if we are striking a continual balance between a good quality of patient service and an economical management in doing so.

Mission of a Naval Hospital

The mission of a naval hospital is primarily,

- a) The care and treatment of sick and injured military personnel with the object of their expeditious return to duty.
- b) The prompt disposition of those patients who require special treatment not satisfactorily available or who are found physically unfit for retention in the military service.

In addition, certain hospitals have secondary missions such as,

- a) The instruction of Medical Department personnel, including intern and resident training when authorized,
- b) The care and treatment of non-military patients, when authorized,
- c) Research in medicine, dentistry, and related specialities when authorized, and

d) Cooperation with military and civilian authorities on matters pertaining to health and sanitation.⁹

Organization in General

In view of the above mission, naval hospitals must be organized in a manner to effectively carry out these missions. Organization has become increasingly important due to growth and complexities of size, especially since the first naval hospital back in 1830.

Organization as a function of administration may be defined in several ways. It is essentially defining a goal, dividing the work into tasks and assigning these tasks to individuals. Organization is not complete until these entities are so arranged that each is divided toward the objective of the total hospital so that each person is well aware of the scope of his responsibilities and the supervisor to whom he is accountable. Therefore it is a combination of effort in such a manner that whatever strength, initiative, responsibility and competence there is in individuals becomes a source of strength and performance for the entire group.

The organization chart shown in Figure 1 illustrates an approved organization for naval hospitals. All naval hospitals utilize the same basic physical organization pattern and have a number of common characteristics despite wide variations in size, structure and location.

⁹ Department of the Navy, Bureau of Medicine and Surgery, Manual of the Medical Department Ch. 11 (Washington, D. C.), Chapter 11-1 (1).

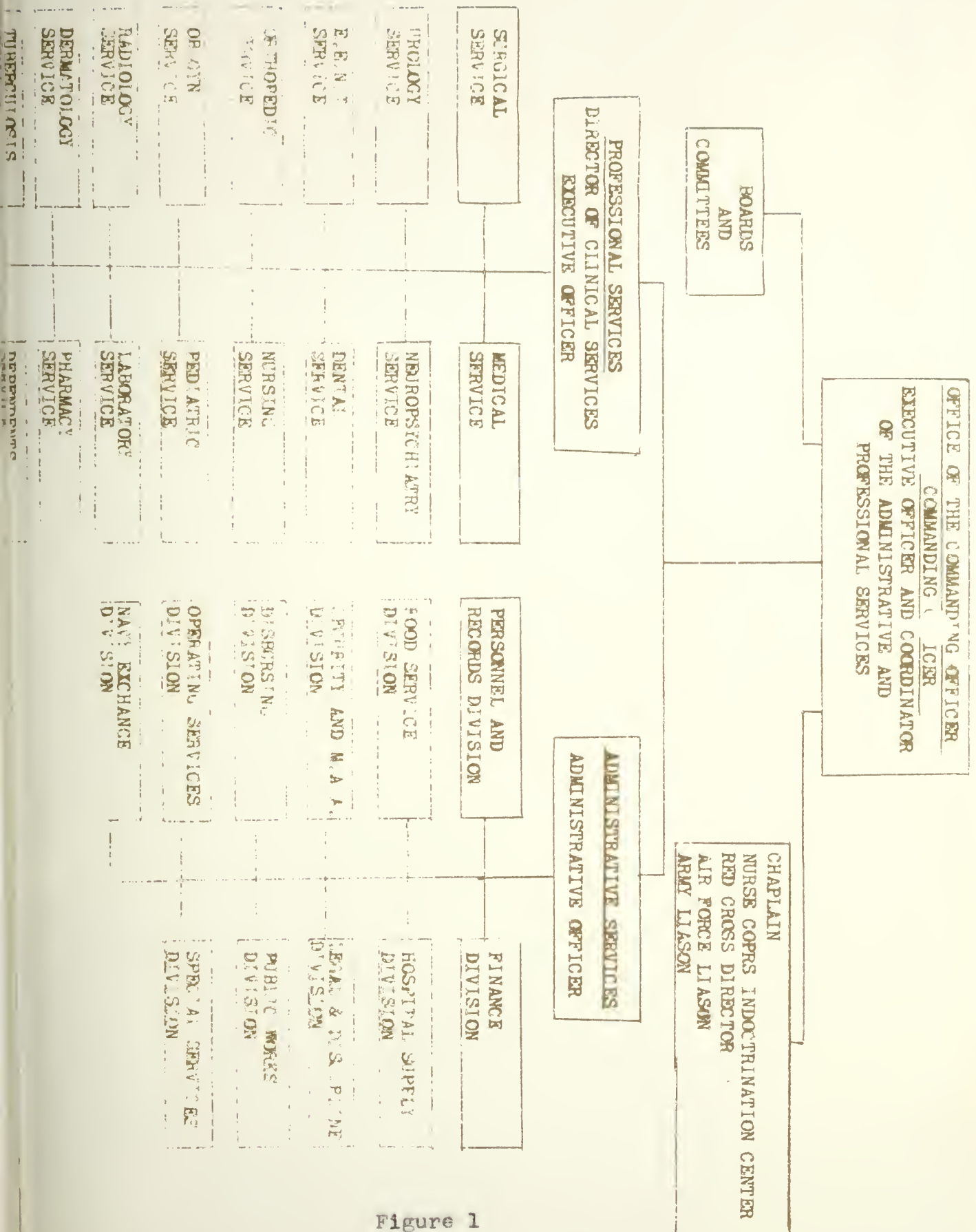


Figure 1

The functions performed by medical department personnel in the operation of naval hospitals are essentially of two distinctive characters: professional and administrative. Professional functions are delegated to components designated as services, such as medical, surgical, pharmacy, nursing, dental and other clinical services, as presented in Figure 1. The senior officer of the individual service is usually denominated as Chief of Service. He is responsible to the Executive Officer for the efficiency of his service.

Administrative functions are divided into eight major elements classified as divisions: Disbursing, Finance, Food Service, Supply, Maintenance, Personnel and Records, Security, and Special Services Divisions. The Senior Officer of each division is known as the Chief of Division.

The Administrative Officer, who is the senior Medical Service Corps Officer attached to the hospital, is responsible to the Executive Officer for the coordination and efficient operation of the administrative divisions.

For the overseer of coordination of the above, each naval hospital is commanded by a medical officer. The office of the Commanding Officer is a Triumvirate arrangement composed of a Commanding Officer, an Executive Officer, an administrative officer; added to this may be such other special assistants and personnel as are required for competent management of the hospital.

The Commanding Officer has the sole responsibility for organization and management of the hospital and for carrying

out its mission by the most effective and economical methods. The following excerpts from the Manual of the Medical Department indicate those duties which are related to financial management.

(a) The commanding officer is charged with the command, organization, management of the hospital. He shall require the timely and economical performance of the functions and operations of the hospital in accordance with U. S. Navy Regulations, the Manual of the Medical Department, and other directives issued by competent authority.

(b) The commanding officer shall be responsible for the sound and legal expenditure of the funds allotted the hospital for its operation. He shall issue instructions concerning the use, expenditure, and conservation of equipment and supplies. . . .

(c) The commanding officer shall prohibit the unauthorized collection of funds within the command. . . .

(d) The commanding officer shall make and cause to be made, necessary inspections to determine that the hospital is adequately equipped and staffed, that it is functioning economically and effectively, and that the clinical and administrative divisions are well managed and maintained. . . .¹⁰

The executive officer functions as the direct representative of the commanding officer in coordinating the internal administration of the hospital, and all orders issued by him are regarded as proceeding from the commanding officer. He is charged with the development and maintenance of an efficient organization and the smooth functioning of all services, departments and facilities of the hospital, and is responsible for the professional aspects related to the care and treatment of the sick and injured.

¹⁰ Ibid., Chapter 11-3 (7).

The executive officer supervises the assignments of all officers and enlisted personnel of the hospital staff and civilian employees. He also provides for the preparation, promulgation and maintenance of the directives necessary to meet the operating requirements of the hospital, and enforce required safety measures for protection of life and property of the Command.¹¹

In addition to the above, the executive officer must be vitally concerned with financial planning and management.

The administrative officer serves as advisor and assistant to the commanding officer and executive officer regarding the nonprofessional functions and management of the hospital. His primary duties are to recommend methods for improving operating procedures, solving administrative problems and correcting unsatisfactory conditions pertaining to management. Generally speaking the administrative officer is answerable to the executive officer for the essential refinements incident to the smooth operation of the administrative divisions of the hospital.

The writer feels that the administrative officer should play an important role in the financial management and planning at naval hospitals. He is the one to whom the finance officer should turn for sound advice and guidance. All statistics, necessary for future or present financial planning, should be coordinated by the administrative officer prior to approval of the commanding officer and submission to the finance officer incident to the preparation of budgets or financial plans.

The Manual of the Medical Department charges the administrative officer with further financial responsibility

¹¹Ibid., Chapter 11-5 (8).

in prescribing that he shall,

In consultation with the Chief, Finance Division, and other appropriate officers, formulate fiscal policies for presentation to and approval of the executive officer and the commanding officer.¹²

The above has presented a broad picture of the organization of a naval hospital. One can see in looking at Figure 1 that the organization (of a naval hospital) is based on staff and line concepts.

The growth of hospitals has presented many problems to the commanding officer, executive officer and the administrative officer. As the levels of work increase, the levels of communication become more elastic and in some instances tend to break down. This presents numerous problems and it is ever constant that the word "team" must be kept before all individuals in order to make the hospital organization effective.

Ray E. Brown, President, American Hospital Association made the following observation:

The mission of administration is to accomplish the purpose of the enterprise. The enterprise may of course have any sort of purpose, but administration always has the same purpose. This means that administration is a means and not an end. It aims at a result beyond itself and in itself has no product other than the changes it brings about. Its existence is apparent only in these changes and it can be evaluated properly only in terms of these changes. It is a route to a destination prescribed by those who employ administration. One may have perfect administration for an enterprise with socially undesirable ends or very imperfect ends. The level of mobility of the goals of the enterprise seems at times to be inversely related to the level of effectiveness of the administration.¹³

¹²Ibid., Chapter 11-7 (12A).

¹³Ray E. Brown, Effective Administration in Hospitals, The Modern Hospital, Vol. 93, No. 5, Nov. 1959.

Therefore in order to accomplish the mission it is necessary to encourage participation by all Chiefs of Services and Heads of Departments, not only in routine work throughout the day but especially participation in financial planning. This is the problem of the hospital management, to bring all the interested and disinterested parties into active financial planning participation; to create a line of communication to all participants which will encourage them to take an active part, create team effort and eventually provide a harmonious organization.

CHAPTER IV

FINANCIAL ORGANIZATION

As naval hospitals have grown in size and complexities so have the Services and Divisions. This has been necessary in order to keep abreast of the changing trends in hospital management.

In order for the hospital to operate, funds are necessary and the management of these funds or dollars is becoming increasingly difficult. Therefore, a division had to be organized within the administrative area whose sole responsibility was in the area of financial management.

Finance Division

The division responsible to the Command for financial management is the Finance Division, which is under the direct control of a Medical Service Corps Officer. This officer in turn reports directly to the Administrative Officer and through him to the Executive Officer and the Commanding Officer.

Figures 2 and 3 illustrate a typical organization and functions for a Finance Division.

In the Finance Division the accounting systems are maintained, allotment records are kept, payrolls are prepared, plant equipment records are maintained, and all financial reports are compiled.

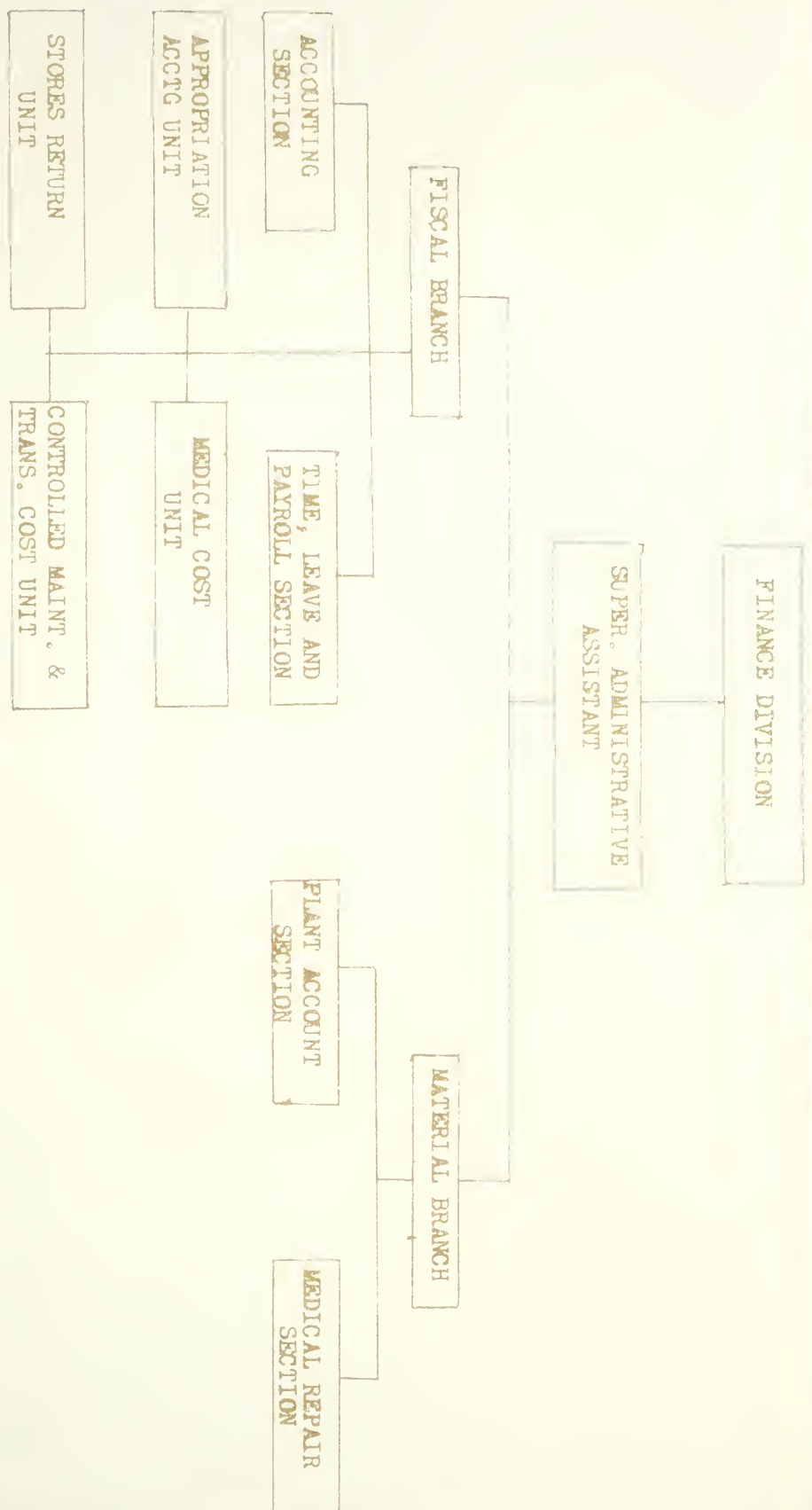


Figure 2.--Organization Chart--Finance Division

FINANCE DIVISION

The Finance Division is responsible for the accurate accounting of all funds allotted to the hospital and shall compile the financial plan of the hospital and annual estimates of expenditures including supporting data as required. This Division shall advise and assist the Commanding Officer in budgeting and in the control of costs through all echelons of the Command.

The Finance Division is subdivided into a Fiscal Branch and Material Branch.

Fiscal Branch

The Fiscal Branch shall:

- (a) Maintain accounting controls over allotment obligations and expenditures by appropriation and subhead; and prepare status of allotment reports.
- (b) Maintain cost accounting records and books of account as prescribed.
- (c) Prepare financial reports and returns and estimates of expenditures, including supporting schedules, as required.
- (d) Maintain individual time and leave records for civilian employees.
- (e) Prepare payrolls for per annum and per diem employees, and submit payrolls to the Disbursing Office for payment.
- (f) Maintain individual retirement, withholding tax, saving bond, salary, wage, and other time and pay records for civilian employees as required.
- (g) Advise and assist the Commanding Officer in the formulation of policies and procedures for the control of monies, services and materials throughout the Command.
- (h) Advise and assist the Commanding Officer in the development of budgeting policies and procedures.

Material Branch

The Material Branch shall:

- (a) Screen returned material, surplus or survey.
- (b) Salvage material by replacement of parts when possible.
- (c) Maintenance of Property Location Records.
- (d) Screen incoming Form 11's for availability and classification.
- (e) Maintenance of Plant Account System, Property Record Card System (S&A 278) and individual Visible Index Card System.
- (f) Preparation of "Reconciliation of Plant Account" (S&A 167).
- (g) Preparation of equipment surveys, quarterly.
- (h) Screen requisitions for non-expendable equipment.
- (i) Reconcile inventory of all equipment in the hospital.

Figure 3.--Functions--Finance Division

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Four of the primary duties of the Finance Division are to:

(a) Prepare financial reports and returns and estimates of expenditures, including supporting schedules, as required.

(b) Advise and assist the Commanding Officer in the formulation of policies and procedures for the control of monies, services, and materials throughout the Command.

(c) Advise and assist the Commanding Officer in the development of budgetary policies and procedures.

(d) Compile the financial plan, the hospital and annual estimates, expenditures, including supporting data, as required.¹⁴

In order for the Finance Division to carry out its assigned mission and to provide management with required information an adequate accounting system must be maintained.

Accounting System

The accounting system prescribed by the Bureau of Medicine and Surgery for naval hospitals is based on fundamental principles of double-entry bookkeeping. It has been designed to fill the needs of management at all levels of administration. This has been accomplished by combining the requirements of the Commanding Officer, the various Navy Department bureaus, the Navy Comptroller, and the Bureau of the Budget.

The financial management system has been devised to obtain the following objectives:

(a) Provide a uniform system of accounting which will produce a direct relationship between the financial plan and accounting reports from field activities and budgeting allotting procedures of the Bureau of Medicine and Surgery;

¹⁴ Manual Medical Department, op. cit., Chapter 11-9 (15).

(b) Aid field activities of the Bureau of Medicine and Surgery in the planning and developing of financial and personnel requirements, and to aid the bureau in interpreting and providing these requirements;

(c) Permit field activities to present requirements in terms of function performance indicators and costs, and to permit the bureau to review and mark-up such requests utilizing the same bases so that agreement may be reached and mutual understanding obtained;

(d) Permit field activities and the Bureau of Medicine and Surgery to evaluate performance to the end that increases and decreases in required sources may be logically determined; and

(e) To permit field activities and the Bureau of the Medicine and Surgery to report financial information as may be required by the bureau or other offices.¹⁵

Procedures used by the Navy Department in accounting for its funds are designed to provide all management levels with a means by which financial expression can be easily reported for planning and control purposes. They were first placed in effect 1 July 1957 under the title, "Accounting for Fund Resources at the Allotment Level, NavExos P-1662", and now appear as chapter 9 of Navy Comptroller Manual Volume 3.

The accounting control over fund resources in this modified system is an organized one with accounting responsibility placed at the allotment level.

The leading purpose of the modified system is to accomplish the administration of funds solely by means of allotments. Under this plan, an allottee is issued only one allotment under a budget activity. Another objective requires that the reimbursements for articles or services must be accounted for at

¹⁵Financial Management Handbook, NavMed P-5020 rev. 6-59 ch. 1 (Department of the Navy, Bureau of Medicine and Surgery, Washington, D. C.), p. 2-1-1.

the allotment level.

Object

Classification by object is required by the Bureau of the Budget.¹⁶ Objects are expression of "things" to be bought, the so-called "end-use item." The following objects are listed.

<u>Object</u>	<u>Item</u>
01	Personnel Services
02	Travel
03	Transportation of Things
04	Communication of Things
05	Rents and Utility Systems
06	Printing and Reproduction
07	Other Contractural Services
08	Supplies and Materials
09	Equipment
10	Land and Structures
11	Grants, Subsidies and Contributions
12	Pensions, annuities and insurance claims
13	Refunds, awards and indemnities
14	Interest
15	Taxes and assessments
16	Investments and loans

Function

In conjunction with the above the Bureau of Medicine and Surgery has prescribed a cost accounting system which is directly related to the procedures followed in accounting for funds at the activity level; it merely applies the same information in greater detail.

This is necessary so that the limitations of fund accounting as applied to medical care costs can be corrected,

¹⁶Section 45.1, Instructions for the Preparation and Submission of Annual Budget Estimates, Circular A-11, Executive Office of the President, August 1957 and June 1958).

and the information shown by fund accounts may be more readily used by local management. Although the same basic information is recorded in both systems, the cost accounting differs from the fund accounting in that it brings unfunded costs into the picture and gives more attention to operations within the medical activity and especially to operations within the areas identified as specific budget functions.

The cost system gives detailed, factual information as to the cost of performing the various functions of naval hospitals. It permits the analysis and comparison of these facts to provide aid to commanding officers in their management of the affairs of the field activity. With the cost system, information can be obtained in minute detail as to any factors which compose the overall costs. This resource of detail provides another appliance for use in directing the activity and assists management to act with certainty and dispatch whenever the control over costs is threatened. Among the advantages the cost system gives to the commanding officer are:

- a) Knowledge of high costs and low costs;
- b) Notice of those functions requiring more than the normal amount of attention;
- c) Prevention of waste in the use of materials and supplies;
- d) Disclosure of excessive costs resulting from inefficiencies of labor; and
- e) Control over the expenses of the various functions.¹⁷

¹⁷Financial Management Handbook, op. cit., p. 2-5-1.

Further, in order to apply the concept of performance-type budgeting to the fullest extent within the framework of existing legislation and regulations, emphasis has been transferred from the objective type of reporting to a functional reporting medium. The medium selected is a broad classification of functional areas within a hospital, yet narrow enough in scope to permit clear definition for use in field reporting and budgeting.

All accounting data are classified, recorded and summarized. The principal category of classification is the budget function. Budget functions as described in Figures 4 through 9 include the following broad expense classifications required by the Bureau of the Budget for reporting purposes:

- Budget Function 1. Administration
- Budget Function 2. Professional Care of Patients
- Budget Function 3. Dietetic Service
- Budget Function 4. Recreational Service
- Budget Function 5. Maintenance and Operations,
Buildings and Grounds
- Budget Function 6. Laundry Service
- Budget Function 8. Transportation Service
- Budget Function 11. Furniture, Furnishings and Equipment.

Budget functions in the non-hospital expense group are:

- Budget Function 13. Maintenance and Operation,
Personnel Quarters
- Budget Function 14. Research and Diagnostic Service
- Budget Function 15. Education and Training
- Budget Function 16. Outpatient Medical and Dental
Services
- Budget Function 17. Capital Expenditures--Land, Buildings,
Ground and Equipment (Fixed
Equipment only)
- Budget Function 17A. Major repairs to Structures and
Replacement of Fixed Equipment
- Budget Function 18. Care of the Dead
- Budget Function 19. All other non-hospitalization
Expenses.
- Budget Function 20. Expenses--all other institutional
Activities.



Budget Function 1 - Administration

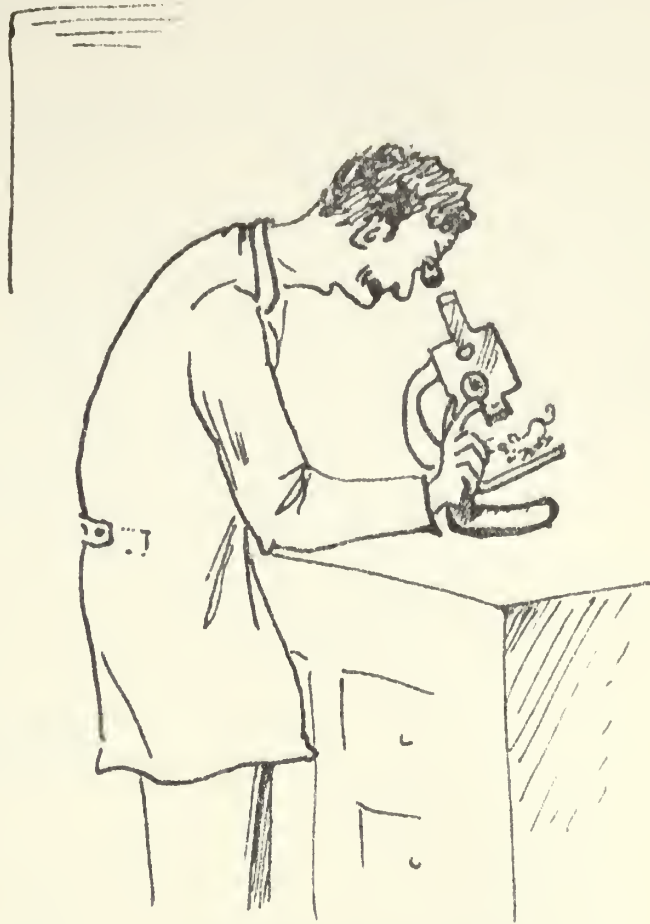
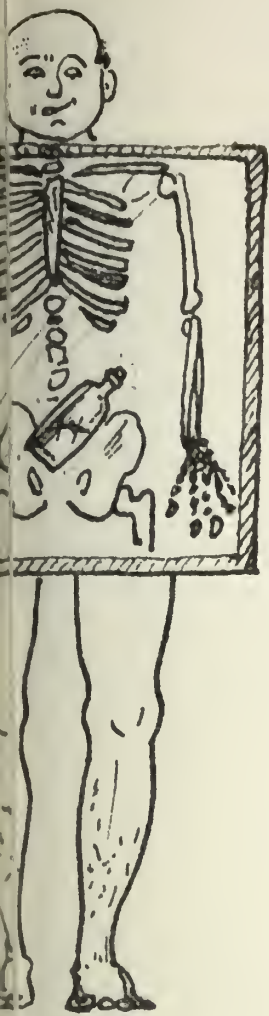
Figure 4



Budget Function 2 - Professional Care of Patients

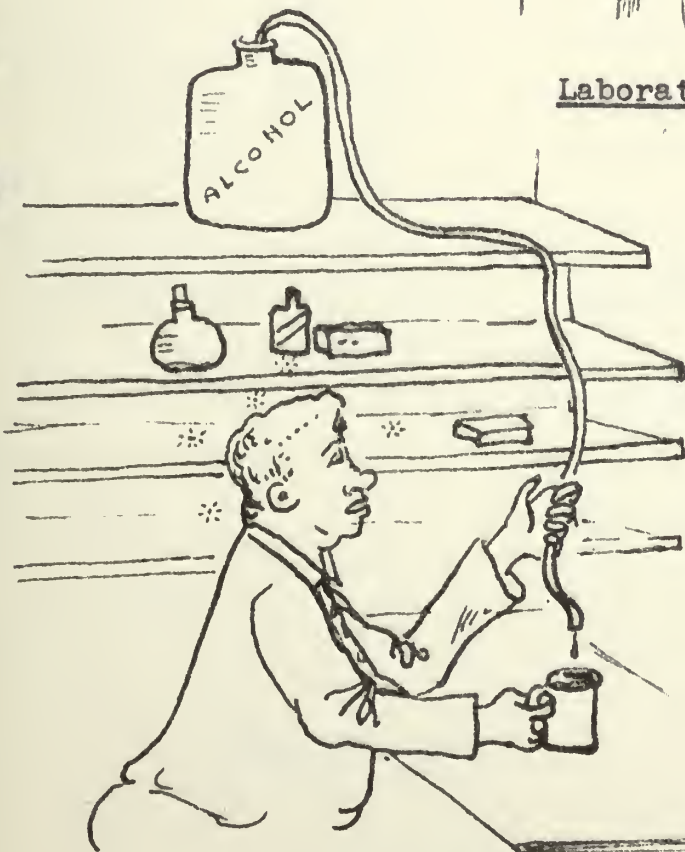
The following illustrations represent other functions that are contained within the above budget function . . .

Figure 5



Laboratory Service

a Service



Pharmacy

Figure 5a.



Dental Service



Operating Rooms

Figure 5b.



hopedic Service



Occupational Therapy

Figure 5c.



Budget Function 3 - Dietetic Service

Figure 6



Budget Function 4 - Recreational Service



Budget Function 5 - Maintenance and Operations,
Buildings and Grounds

Figure 7



Budget Function 6 - Laundry Service

Figure 8

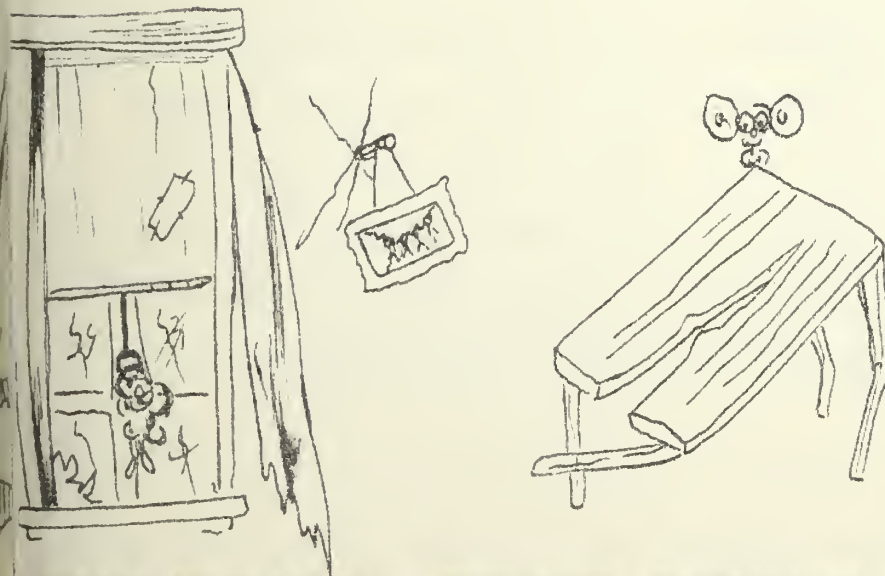
Chiefs

Junior
OfficersSenior
Officers

White Hats



Budget Function 8 - Transportation Service



Budget Function 11 - Furniture, Furnishings and Equipment

Figure 9

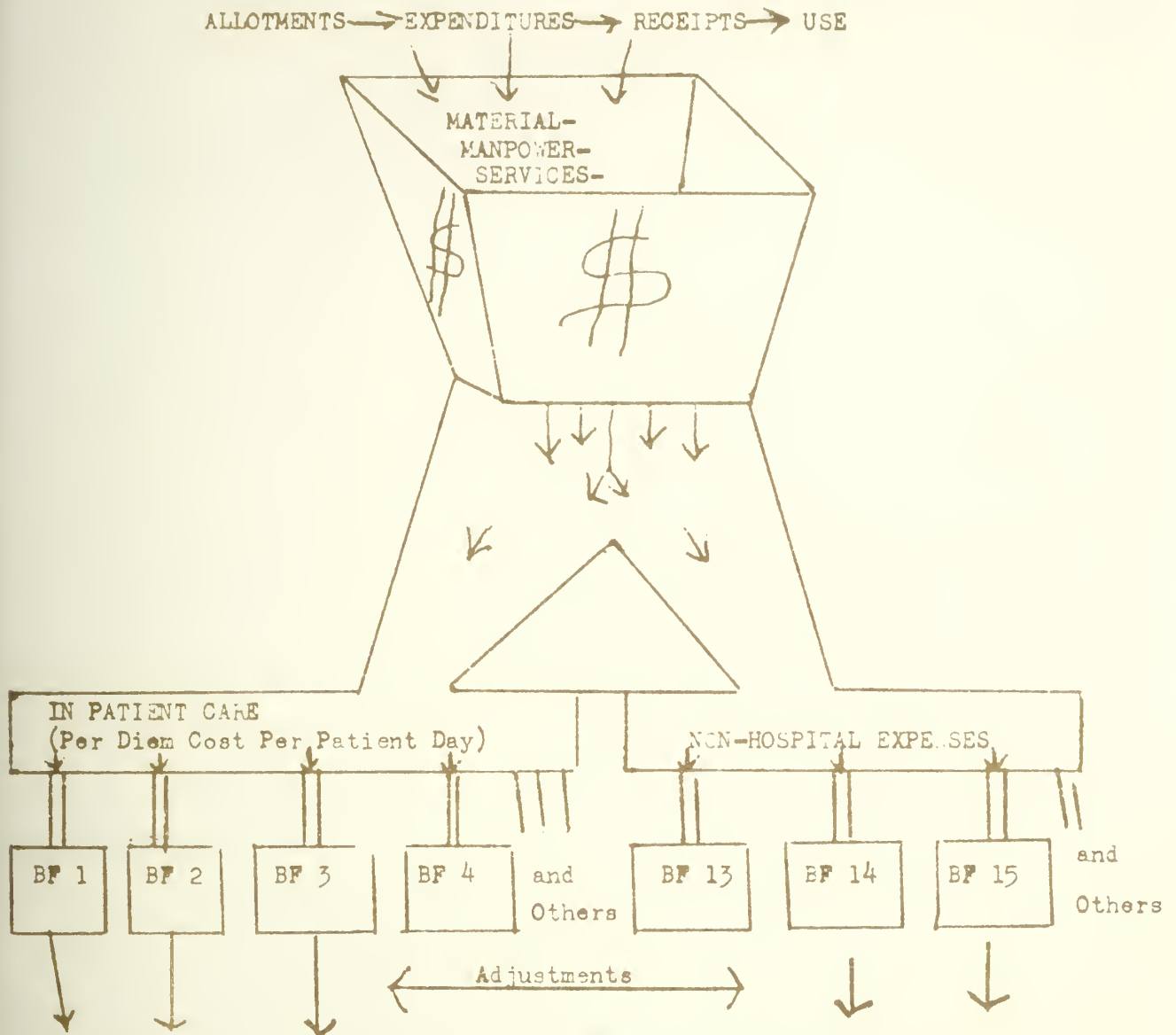
Figure 10 will give the reader a further idea of how the funds are funneled into the hopper and in what areas they are channeled from there.

Within budget functions, the accounting data classifications are expanded by use of expenditure accounts. Each expenditure account is further detailed by use of budget object classification. (See page 25 under object).

The arrangement of accounts has been constructed in such a manner that groupings by budget functions are accomplished automatically. For this reason the individual identification of cost items by expenditure account and by budget object is all that is necessary. However, in order to describe adequately each transaction, it is necessary to assign both expenditure account and budget object classification to each document used as a supporting voucher for the recording of obligations and expenditures.

The accounting system briefly described provides adequate information for use in budgeting, cost study in the various services or divisions, guide for allocation of operating funds and necessary controls. The information is there. It is up to the financial manager to extract that information which is useful for the necessary financial management of the activity or information which management desires to be provided.

ACCOUNTING FOR RESOURCES UTILIZED IN HOSPITALS — COST ACCOUNTING



Further classification of expenses, under each account as follows:

Pay of Civilian Personnel
 Pay and Allowances, Military Staff
 Supplies and materials
 Rents and Utilities
 Job Orders
 Other Expenses

Figure 10

CHAPTER V

FINANCIAL COMMUNICATION--A METHOD

Without a doubt, the management team is today faced with the challenge of either (1) drastically reducing costs or (2) proving that they are presently at the minimum consistent with good hospital services. In these charges and counter-charges, it has been demonstrated over and over again that generalities and statements as to better care, shorter stays, etc., do not receive nearly the credence and consideration given to hard financial facts. Not only in proving their case do the hospitals need the hard-headed finance officer approach, but it is the writer's belief that, as a member of the management team, the finance officer, working in conjunction with the administrative officer, can become a leader in assuring that costs are reduced to the minimum consistent with good care, and then keeping them there.

Before proceeding further, it may be well to stop for a moment and consider just who constitutes this management team. The writer has previously discussed the organization of a naval hospital and the importance of encouraging each member to become an active participant and create a team effort, therefore this team should be composed of (1) Commanding Officer (2) Executive Officer (3) the Staff Doctor (4) the Chief of Service and

Department Heads (5) Finance Officer and (6) the Civil Service employees.

Costs and control thereof are definitely within the sphere of influence of each of these people, individually and as a team. If one member is not doing his job or is not performing his function in the best possible manner, then the whole project suffers. While the Commanding Officer may be the focal point in this whole scheme of things, and as such receives the principal credit and all of the criticism for the control of the operation, in many instances, in fact in the majority, the poor performances of the team as a whole can be laid at the door of other members. Staff doctors who insist upon pet prerogatives without regard to cost; department heads who, for one reason or another, are not in control of their departmental costs; and wasteful employees; all of these contribute to the overall problem.

But what about the Finance Officer? What can he do to assist the Commanding Officer and the rest of the team in meeting the challenge of the day? What is his responsibility? Where does this begin and end?

Finance Officers Role

First and foremost, in my opinion, the Finance Officer is charged with the duty of keeping the team informed of the financial results and implications of what they are doing. In this respect he has been often likened to the navigator of a ship or plane, who keeps the Captain informed as to where they have been and where they are heading.

Proper records and adequate control are prime requisites which must be present before any useful information can be given to the rest of the management team. Fortunately, hospital accounting has taken great strides since 1830 and especially in the past 20 years with the result that, by and large, the underlying records in our hospitals are adequate for their purpose. In fact the present accounting system discussed in Chapter IV was promulgated by the Bureau of Medicine and Surgery with the above purpose in mind.

One fairly common failing, however, is found in the tardiness with which the information contained in the records is conveyed to the other team members. In some instances, the financial information made available to the team is rather sketchy and incomplete and, in others, the report is so detailed and complex that the salient points are lost in a mass of figures.

In order to improve this area of communicating financial data and to weld the members of the hospital into a team for improvement in financial management, the following procedures were utilized at the U. S. Naval Hospital, St. Albans, Long Island, New York. I feel these procedures were a great factor in the improvement of financial management and the following is what I consider good "Financial Communication".

Budget Importance

Industry today operates largely on the basis of pre-control, wherein all expenditures are controlled before they

are actually made.¹⁸ The Finance Officer as a member of the team is already aware of the elements of such controls through the budgets he prepares annually. Through these budgets and a regular comparison with actual performance, the finance officer can keep the other team members informed as to what the future holds for the hospital. Obviously the tightness or laxity of budgetary control depends largely on how it was prepared and what procedures are used during the course of the year to assure the control which was contemplated.

A hospital budget should be a living dynamic thing and must be so designed. While an annual budget, made up on the basis of cost accounting records, can be a useful instrument for certain financial planning, it is almost useless in the day-to-day operating control. A true management budget, usable as a medium for control should be compiled on the basis of direct expenditures of each segment of the hospital's operation. Furthermore, if the budget is truly to be part of future planning, it is imperative that the Finance Officer as the financial man of the team, spend the necessary time with each department head and Chief of Service to assure their complete understanding and proper approach to budgetary preparation and use.

Figure 11 represents the writer's recommendation for an "activity budget letter" to the various service and department heads preliminary to the preparation of the final draft of the

¹⁸Gustav A. Killenberg, Accountants Role on The Management Team, Journal of Hospital Accounting, American Association of Hospital Accountants, Incorporated, April 1959), p. 7.

2 January 1958

NAVHOSP NOTICE 7100.

From: Commanding Officer
Special Distribution List

Subject: Estimated Budget Requirements for Fiscal Year 1959

Re: (1) Form for Estimated Requirements for Equipment

Purpose: In order for the Commanding Officer to adequately compile and prepare the Annual Budget for the Fiscal Year 1959 and to effectively operate this Hospital within a Financial Plan, it is imperative that all Chiefs of Services and Heads of Departments prepare data for their anticipated requirements during the Fiscal Year 1959. The major items of importance to be considered are:

- | | |
|---------------------------|--------------------------------|
| a. Personnel Services | h. Research |
| b. Provisions | i. Consultant/Lecturer Program |
| c. Equipment | j. Staff Travel |
| d. Supplies | k. Binding |
| e. Specific Work Requests | l. Periodicals |
| f. Printing | m. Medical Books |
| g. Fuel Oil | n. Performance Indicators |

Action: Information on the estimated requirements pertaining to each of the above will be furnished as indicated below:

(a) Personnel Services - departments requiring civilian personnel will submit their requirements to Chief, Personnel Division, who in turn will furnish the Finance Officer a list of those requirements, by department, over the number authorized by the Command.

(b) Provisions - Food Service Officer submit to Finance Officer requirements by quarters. Performance indicators are to be computed and submitted as required by page 1-2-9 Financial Management Handbook.

(c) Equipment - prepare data for the anticipated requirements for new items of equipment and items of equipment to be replaced during the Fiscal Year 1959. The necessary forms required for a submission to Chief, Finance Division are attached hereto. Particular attention must be given to the following:

1. An adequate justification is of paramount importance in the acquisition of all items of equipment. Activities must give sufficient justification to the Bureau of Medicine and Surgery who in turn must justify procurement of the item to the Bureau of the Budget in order to obtain funds.

2. It is equally important that the item be described in detail giving catalog reference, name of manufacturer, unit cost and desired delivery date. A special section has been established in the Hospital Supply Division to assist in collecting data required. Numerous catalogs are available for ready reference.

3. If the item desired is to replace an identical or similar item, it must be so indicated and the reason for replacement must be included in the justification.

4. Only items of equipment costing over \$100.00, including items listed in the Armed Services Catalog of Medical Material, are to be included on enclosure (1). It is the Bureau's policy to approve only these items of an emergency nature submitted after the approval of the budget. Therefore, you are cautioned to survey your service or department carefully prior to submitting the information requested above. Additional items subsequently required will be submitted quarterly and then only on an emergency basis.

5. Department of Defense Excess Personal Property Listings are maintained in the Hospital Supply Division and are available for review. The majority of equipment listed therein can be obtained without cost.

The Medical Repairmen, Extension 332, are available for consultation as to whether any item of equipment is beyond economical repair and requires replacement.

EX 1
7110 2
NH/HSPN

(d) Supplies - those departments whose Fiscal Year 1959 plans will require an unusual amount of non-recurring supplies shall furnish the Finance Office a list of those items with dollar amounts.

(e) Specific Work Requests - Public Works Officer will submit completed work-up for each item in this category to Finance Officer for inclusion in the Budget.

(f) Printing - Operational Service Officer will coordinate and submit estimated amounts required, by quarters, to the Finance Officer.

(g) Fuel Oil - Public Works Officer shall compute the requirements and furnish estimated quantities for each quarter.

(h) Research - requirements for this will be submitted by the Chief of Surgical Service and Chief of Radioisotope Laboratory.

(i) Consultant/Lecturer Program - requirements for this program will be submitted in accordance with Hospital Instruction 12035.1.

(j) Staff Travel - Chief, Personnel Division shall coordinate and submit detailed requirements by quarters to the Finance Officer.

(k)(1)(m) Binding, Periodicals, and Medical Books - the library committee shall submit money value only of requirements by quarters for books and binding. Periodicals shall be itemized including money value for submission to the Finance Officer.

(n) Performance Indicators - the Hospital Financial Management System requires that statistical indicators be computed and submitted by Budget Function with the Annual Budget. The below Divisions will be responsible for providing data for the computation of performance indicators as directed:

1. Chief, Personnel Division

Budget Function 1 - Administration
Budget Function 2 - Professional Care of In-Patients
Budget Function 4 - Recreation
Budget Function 15 - Training and Education
Budget Function 16 - Outpatient Med & Dental Service

2. Public Works Officer

Budget Function 5 - Maintenance & Operation, Bldgs & Grds
Budget Function 8 - Transportation Service

3. Chief, Operational Services

Budget Function 6 - Laundry Service

4. Chief, Dental Service

Budget Function 16 - Outpatient Med and Dental Service

Formulas for computing the above indicators are maintained in the Finance Office and are available to the above Divisions.

Statements of the estimated requirements for Fiscal Year 1959 shall be submitted to the Finance Division as soon as possible, but no later than 15 March 1958.

3. Comment: The Finance Officer and Hospital Supply Officer are available for discussion concerning any of the above requirements.

4. Cancellation: This Notice is cancelled on 20 May 1958.

Herman A. Gross
HERMAN A. GROSS

NSHA/FIN.

EX 1

7110 2

- (1) General - This category will include all items of general interest to the public, including books, pamphlets, and other printed matter.
- (2) Special - This category will include items of special interest to the public, including books, pamphlets, and other printed matter.
- (3) Periodicals - This category will include books, pamphlets, and other printed matter.
- (4) Reference - This category will include books, pamphlets, and other printed matter.
- (5) Children's - This category will include books, pamphlets, and other printed matter.
- (6) Adult - This category will include books, pamphlets, and other printed matter.
- (7) Technical - This category will include books, pamphlets, and other printed matter.
- (8) Religious - This category will include books, pamphlets, and other printed matter.
- (9) Biographical - This category will include books, pamphlets, and other printed matter.
- (10) Historical - This category will include books, pamphlets, and other printed matter.
- (11) Geographical - This category will include books, pamphlets, and other printed matter.
- (12) Political - This category will include books, pamphlets, and other printed matter.
- (13) Economic - This category will include books, pamphlets, and other printed matter.
- (14) Social - This category will include books, pamphlets, and other printed matter.
- (15) Scientific - This category will include books, pamphlets, and other printed matter.
- (16) Medical - This category will include books, pamphlets, and other printed matter.
- (17) Legal - This category will include books, pamphlets, and other printed matter.
- (18) Art - This category will include books, pamphlets, and other printed matter.
- (19) Literature - This category will include books, pamphlets, and other printed matter.
- (20) Music - This category will include books, pamphlets, and other printed matter.
- (21) Drama - This category will include books, pamphlets, and other printed matter.
- (22) Comedy - This category will include books, pamphlets, and other printed matter.
- (23) Tragedy - This category will include books, pamphlets, and other printed matter.
- (24) History - This category will include books, pamphlets, and other printed matter.
- (25) Geography - This category will include books, pamphlets, and other printed matter.
- (26) Science - This category will include books, pamphlets, and other printed matter.
- (27) Technology - This category will include books, pamphlets, and other printed matter.
- (28) Religion - This category will include books, pamphlets, and other printed matter.
- (29) Philosophy - This category will include books, pamphlets, and other printed matter.
- (30) Psychology - This category will include books, pamphlets, and other printed matter.
- (31) Education - This category will include books, pamphlets, and other printed matter.
- (32) Health - This category will include books, pamphlets, and other printed matter.
- (33) Environment - This category will include books, pamphlets, and other printed matter.
- (34) Energy - This category will include books, pamphlets, and other printed matter.
- (35) Transportation - This category will include books, pamphlets, and other printed matter.
- (36) Communication - This category will include books, pamphlets, and other printed matter.
- (37) Defense - This category will include books, pamphlets, and other printed matter.
- (38) Space - This category will include books, pamphlets, and other printed matter.
- (39) Outer Space - This category will include books, pamphlets, and other printed matter.
- (40) Unidentified - This category will include books, pamphlets, and other printed matter.

1. General Information

- 1 - General Information
2 - General Information
3 - General Information
4 - General Information
5 - General Information
6 - General Information
7 - General Information
8 - General Information
9 - General Information
10 - General Information

2. General Information

- 1 - General Information
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3. General Information

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4. General Information

- 1 - General Information
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7 - General Information
8 - General Information
9 - General Information
10 - General Information

The committee has been instructed to report to the President on the progress of the work of the committee during the past year.

The committee has been instructed to report to the President on the progress of the work of the committee during the past year.

57.

From: Chief of _____

Subj: Estimated Requirements, Fiscal Year 1959

Ref: (a) NewHosp Notice 7100, dtd 2 January 1958

1. In compliance with reference (a), the following e

Ex. 2

[illegible]

DISAPPROVED - Lien Nos. _____

Commanding Officer

Department

activity annual budget. This is the initial phase of financial communication.

A department budget made up almost entirely on the basis of previous year's financial experience does not, in the writer's opinion, begin to approach the real objective. It is up to the Finance Officer, as well as the Commanding Officer, Executive Officer and the Administrative Officer, to inject into the thinking of budget preparation an approach where each item is examined in the light of the questions--Is all of this expenditure necessary? Is this the best way, the most proficient way of performing this operation? Only through such study and assistance by each department head can the Finance Officer assume that the budget really takes on the aspects of a true projection and control.

The budget's preparation is a once-a-year problem in our hospitals but should be on a continuous study and analysis basis. The operating conditions and policies often change without notice during the course of the year. Thus, the Finance Officer must be ever alert to the financial implications of the operating problems that present themselves from day to day.

Receipt of Funds

Shortly after the annual budget has been submitted, the Bureau of Medicine and Surgery will analyze the request and forward operating funds in the form of an allotment authorization for operation during the fiscal year as requested. These funds are usually not in the amounts as requested in the annual budget.

Therefore, on the basis of the funds received, adjustments have to be made in objectives and planned performances, in order to provide a plan of operation throughout the fiscal year at the level authorized in the fund authorization.

Financial Plan

Here is where the Finance Officer can be of great help to management by the preparation of an adequate Financial Plan. Experience has proven that in order to carry out effective financial planning, the plan must be informative and in such detail as necessary for effective management. This is not only an aid to fiscal personnel for planning and budgeting, but it is extremely important to management. Complete communication in financial planning and management is a prerequisite. Therefore, the writer feels that a financial plan must be in considerable detail so that interested members of the hospital management team will be able to understand the plans that are being anticipated in the financial operation of the activity. Financial plans should be made available to the Chiefs of Services and Divisions for their information and whatever constructive criticism they may have. By making the financial plans available interest may be generated and eventually the financial operation of the activity will become a team effort.

Also, a sound financial plan is an invaluable tool of control. A continuing comparison between the basic plan, the plan as revised, and actual performance not only affords an excellent tool for measuring the results of operation, but provides timely information upon which to base management

decisions.

Appendix A represents the financial plan that was prepared and approved for the fiscal year 1959 at the U. S. Naval Hospital, St. Albans, Long Island, New York. This detailed financial plan uses the budget function concept. Under this concept, planned requirements by quarter were developed for each category of expense applicable to each budget function.

This financial plan was prepared following numerous discussions with the Commanding Officer and other members of the hospital management team. I feel that this was a great step in financial planning and the improvement of communication in this area at naval hospitals.

Recently the Bureau of Medicine and Surgery has formulated a financial plan that must be submitted by all naval hospitals prior to 1 August of each fiscal year, based upon funds allocated. This plan is formulated on the budget function concept by expenditure account and performance indicator. This type plan was promulgated in order to provide guidance in the formulation and execution of financial plans at the allotment level and stress the importance of such plans to local management. Appendix B represents this type of financial plan.

In conjunction with the financial plan (Appendix A), Appendix C was prepared which represents the capital equipment items that the various services and divisions had requested in the annual budget. Due to the lack of sufficient funds, only those items of a priority nature could be purchased. Therefore it was necessary for all Chiefs of Services and Department Heads to again review their requirements and base these requirements

on a priority basis. At a Commanding Officer's conference each Chief of Service and Department Head was heard and his requirements analyzed by the whole group. This procedure gave each Chief of Service and Head of Department an opportunity to be heard prior to any decision. Another step toward a team effort through communication.

Further Improvements

Every change in policy or operating condition carries with it a connotation of increasing or decreasing either cost or revenue. The Finance Officer must be ever alert to such items and be prepared to present, promptly and without prodding, to the rest of the team the financial implications of their decisions. All too often it is found that various changes in policies and operating methods have been put into effect before the true financial implications thereof have been thoroughly explored. Only through a constant alertness on the part of the Finance Officer can the team be kept currently informed of the dollar and cents impact of changing procedures. In the beginning some of the diligence of the Finance Officer takes on the aspect of an educational program--educating the rest of the team to look before they take even a little step.

In order to keep the management team ever alert to the value of the hospital dollar and to improve financial planning, budgeting and control of funds, a system was developed and established at the U. S. Naval Hospital, St. Albans, Long Island, New York on 1 January 1959, involving the use of operating fund targets. Figure 12 with enclosures sets forth

NAVKOSP INST 7300.2
24 November 1958

NAVHOSP INSTRUCTION 7300.2

From: Commanding Officer
To: Distribution List

Subj: Operating Fund Targets

Ref: (a) NavCompt Manual Vol. 3, Para. 032002
(b) NavHosp Inst. 4235.2

Encl: (1) Sample letter of authorization
(2) Departmental Operating Fund Targets

1. Purpose. To establish operating fund targets within this Command and to outline the procedures to be followed in the administration of these operating targets.

2. Cancellation. NavHosp Instruction 4430.1 of 29 November 1956 is hereby cancelled.

3. Definition. An operating target is a fixed amount of funds which the commanding Officer of an activity may issue for functions or to departments or purposes of planning, measuring performances and operation.

4. Procedures.

a. Operating Fund Targets. Effective 1 January 1959, Chiefs of Services and Divisions, as listed in enclosure (2), will be issued a target amount of funds for the operation of their respective departments. Letter of authorization designating the amount of funds and purpose for which intended will be issued on a quarterly basis. Enclosure (1) is a sample letter of authorization that will be used. All requests for supplies or services will be ordered, as in the past, on a DD 1150 (request for issue or turn-in) as directed by reference (b). Each DD 1150 will not only indicate the primary activity that is ordering, but will also bear the target number authorized for that department, service or division in the space designated "Job Order." Other procurement documents will bear the target number in a space as prearranged between Supply and Finance. All activities who have not been issued a target amount of funds will submit their DD 1150's to the department head under whom designated by enclosure (2). The Hospital Supply Officer will require each DD 1150 to be reviewed for the necessary accounting data, target number, and will further require that necessary supply procedures be performed consistent with effective management. Further, it is directed that all DD 1150's be reviewed carefully so that issues will be limited to a two weeks supply consistent with reference (a). The Finance Division will maintain the official records and target holders are directed not to maintain detailed accounting records on their targets. Bi-weekly the Finance Officer shall inform each target holder, in memorandum form, the status of their targets.

b. Signature Register. Chiefs of Services and Divisions who have been issued a target number as set forth in enclosure (2) may designate officers within their respective services or divisions to sign as authorizing agents. In such cases, those designated persons shall file a Signature Register Card

NAVJAG 1111 7107
24 November 1959

(NH 1221), countersigned by the person making the designation. Such priority may not be redesignated. In the case of civilian employees and personnel, the Signature Register Card will be countersigned by the departmental head or approved by the Executive Officer (for professional services) or the Administrative Officer (for administrative divisions). These Signature Register Cards will be maintained in the Hospital Supply Office. In order to maintain adequate control over the target amounts, it is directed that individuals authorized to sign DD 1 be kept to a minimum.

5. Effect. It is anticipated that the issuing of target amount of funds for various services or divisions will afford the respective heads an opportunity to become better acquainted with the financial operation of their department. This should bring about improvements in operation or functions and increase the necessity of cost consciousness on all operating personnel.

6. Effective Date. This Instruction is effective 1 January 1959.

FIN 7130.2

Pg. 2
A

EX. 2

From: Commanding Officer
To:

Subject: Operating Target Funds for _____ Quarter, Fiscal Year _____
Allotment No. _____, Appropriation _____

Re: (a) NavCompt Manual Para. 032002.1c(2)

Funds received from the Bureau of Medicine and Surgery (were) (were not) sufficient to cover the amount requested under Budget Functions _____

for _____
under subject allotment number for the current quarter.

The Commanding Officer has adjusted, as necessary, the amount requested under Budget Function _____ and has made available for planning purposes the amount as indicated below:

Target Number	Purpose	Amount Requested	New Grant	Brought FWD Qtr.	Total Alloc.
------------------	---------	---------------------	--------------	---------------------	-----------------

A copy of this letter the Finance Officer is designated as the Accounting Officer for these funds in accordance with the policies and procedures set forth in the Navy Comptroller Manual and other current applicable directives.

3. The allocation shown above excludes funds for labor as the labor portion is controlled in a single amount. Obligations for labor will be established by the Finance Office.

4. You are further informed that the Commanding Officer retains complete legal responsibility under Section 3679, R.S., for all obligations incurred for functions covered by the above target amount. It is desired that the above target amount not be exceeded; which occurrences could place this Command in an embarrassing position.

5. If it is determined that the allocation adjustment effected above does not allow sufficient funds for the operation of your department during the current quarter, it is requested that the Finance Officer be contacted immediately.

F N 7130.2

Pg 3

Ex. 1

DEPARTMENTAL OPERATING FUND TARGETS

TARGET NUMBER

DEPARTMENT

0001

PERSONNEL DIVISION

Army Liaison, TB Record Office, Civil Readjustment, Staff Detail, Descent Office, Bagroom, AF Liaison, Marine Liaison, Staff Personnel, I&E, Patient Record Office, Admission Room, Civilian Personnel, and all other personnel functions under Personnel Division.

0002

OPERATING SERVICES DIVISION

Commanding Officer's Office, Executive Officer's Office, Administrative Office, OOD, Mail Room, Communications, Central Files, Information Desk, Reproduction and Mimeo., Telephone Room, Linen Room, Laundry, Custodial.

0003

FOOD SERVICE DIVISION

0004

SPECIAL SERVICES DIVISION

Chaplains' Office, Ships Library, Red Cross Newspaper Office.

0005

PUBLIC WORKS DIVISION

All Public Works Functions, all Staff Quarters including Hospital Corps, Waves' Quarters, and HQ.

0006

SECURITY DIVISION

Discipline Office, Legal, Fire Department, M.A.A., Patient Detail.

0007

SURGICAL SERVICE

Central Supply, Operating Room, Physio., Occupational Therapy, Pulmonary Function (Patient care), Tumor Clinic, Proctology Clinic, Medical Library.

0008

MEDICAL SERVICE

Consultant-Lectures, Basal Metabolism, ECG.

0009

TUBERCULOSIS SERVICE

Ward supplies only.

P
4
V

E X /

MENT SERVICE

All Clinics

DEPENDENTS SERVICE

All including Clinics and Wards.

DENTAL SERVICE

All, including Consultant-Lecturers.

RADIOLOGY SERVICE

All X-Ray services including Radioisotope Laboratory (patient care).

PHARMACY SERVICELABORATORY SERVICE

All, including Morgue, Medical Photography, and Blood Donor Center.

ORTHOPEDIC SERVICE

Plaster Room, Clinics, and Appliances.

UROLOGY SERVICENEUROPSYCHIATRIC SERVICE

Electroencephalography and NP Record Office.

DERMATOLOGY SERVICENURSING SERVICE

Clinical Inst. Office, Nurses' Quarters, Lecturers-Consultant, Chief Nurse's Office, All Wards (except TB and Dependents)

NURSE CORPS INDOCTRINATION CENTERDISBURSINGSUPPLY DIVISIONPULMONARY FUNCTION LABORATORY (RESEARCH).RADIOISOTOPE LABORATORY (RESEARCH).FINANCE DIVISION

Collection Agent's Office, Medical Repair.

Pg 5

Ex. 1

the hospital policy in regards to these operating fund targets.

The target numbers follow a four digit job order system and it was planned to "tie in" these operating fund targets with the financial plan, Appendix A. The Chiefs of Service and Divisions, in reviewing the plan, would then know what funds were being planned for operation of their departments, prior to the issuance of enclosure one to Figure 12.

Figure 13 represents the funds that are authorized for each target holder and the expense item applicable thereto. This expense budget is prepared using information from the financial plan and preliminary to letter of authorization.

It will be noted in Figure 13 that only certain categories of expense were involved. In view of this new system it was considered feasible to begin the program in increments until such time as the Chiefs of Services and Divisions became accustomed to it and then total funds could be allocated necessary for the operation of their respective areas of responsibility.

Figure 14 represents an alphabetical listing of consumer activities with corresponding expenditure accounts and operating fund targets. This provided information to the activities under each target holder for accounting information that was included on any request for supplies and materials.

In conjunction with the operating fund targets a bi-weekly report was submitted to each target holder, which informed him of the amount that was authorized, his obligations and expenditures and the remaining balance. Figure 15 represents

Figure 13
U. S. NAVAL HOSPITAL

EXPENSE BUDGET

TARGET #	DEPARTMENT		
		Qtr. FY	4th 1959
		<u>ALLOCATION</u>	
001	<u>Personnel Division</u>		
	TAD	700.00	
	Supplies	700.00	
	Services		1,400.00
002	<u>Operating Services Division</u>		
	Medical Library		
	Printing	500.00	
	Telephones		
	Services		
	Supplies	10,000.00	
	Laundry		
	Linen Room		
	Custodial		10,500.00
003	<u>Food Service Division</u>		
	Provisions	121,000.00	
	Supplies	5,000.00	
	Services		126,000.00
004	<u>Special Services Division</u>		
	Supplies	100.00	
	Services		100.00
005	<u>Public Works Division</u>		
	Fuel Oil	28,600.00	
	Gas		
	Electric		
	Water		
	Sewage		
	Gasoline & Motor Oil	1,000.00	
	Auto Contracts	1,500.00	
	Services		
	Supplies	12,000.00	43,100.00
006	<u>Security Division</u>		
	Supplies	100.00	
	Services		100.00

<u>TARGET #</u>	<u>DEPARTMENT</u>	<u>ALLOCATION</u>
0007	<u>Surgical Service</u>	
	Central Supply	
	Operating Room	
	Physiotherapy	
	Occupational Therapy	
	Wards	
	Total for above	<u>22,000.00</u>
0008	<u>Medical Service</u>	
	Consult-Lectures	<u>9,000.00</u>
	Basal Metabolism)	
	Electrocardiograph)	<u>1,000.00</u>
	Pulmonary Function)	
	Services	<u>10,000.00</u>
0009	<u>Tuberculosis Service</u>	
	Supplies (Wards)	<u>600.00</u>
		<u>600.00</u>
0010	<u>EENT Service</u>	
	Supplies - Clinic	<u>600.00</u>
	Wards	
	Services	<u>600.00</u>
0011	<u>Dependents Services</u>	
	Services	
	Supplies	<u>4,000.00</u>
	Pat. Record Office	
	OB-GYN	
	Pediatrics	
	Wards	<u>4,000.00</u>
0012	<u>Dental Service</u>	
	Supplies	<u>1,200.00</u>
	Services	
	Consult-Lectures	<u>300.00</u>
		<u>1,500.00</u>
0013	<u>Radiology Service</u>	
	Supplies	<u>10,000.00</u>
	Services	
	Radioisotope Lab.	<u>10,000.00</u>
0014	<u>Pharmacy Service</u>	
	Supplies	<u>50,000.00</u>
	Services	<u>50,000.00</u>

ARGET #	DEPARTMENT	ALLOCATION
015	<u>Laboratory Service</u>	
	Supplies	9,000.00
	Services	*9,000.00
	*Does not include blood	
016	<u>Orthopedic Service</u>	
	Supplies - Clinic and cast room	5,000.00
	Wards	
	Services	5,000.00
017	<u>Urological Service</u>	
	Supplies - Clinic	1,500.00
	Wards	
	Services	1,500.00
018	<u>N. P. Service</u>	
	Supplies - Wards	200.00
	EEG	
	Psy.Ex.Rm.	
	Services	200.00
019	<u>Dermatology Service</u>	
	Supplies - Wards	
	Clinic	100.00
	Services	100.00
020	<u>Nursing Service</u>	
	Supplies - Office	
	Nurses Qtrs.	
	Consult-Lectures	
	Services	5,000.00
	Total for above	5,000.00
021	<u>Nurse Corps Indoctrination Center</u>	
	Supplies	100.00
	Services	100.00
022	<u>Disbursing Division</u>	
	Supplies	100.00
	Services	100.00
023	<u>Supply Division</u>	
	Services	
	Supplies	100.00

FINANCE DIVISION

Personnel Services	<u>569,299.00</u>
Insurance	<u>1,672.60</u>
FICA	<u>395.00</u>
Retirement	<u>35,445.00</u>
Equipment	<u>none</u>
Services	<u>5,000.00</u>
Specific Work Requests	<u>none</u>
Blood	<u>5,000.00</u>
Supplier	<u>500.00</u>
Contracts (Service)	<u>7,810.00</u>
Utilities	<u>40,250.00</u>
Reserve	<u>1,622.00</u>

667,000.00

Total Quarterly Authorization
Per NavCompt 372

963,000.00

no title

Finance Officer

Approved

Commanding Officer

ALN 710.2

Pg. 4

Ex. 2

Figure 14

ALL INDEBTEDNESS DURING OF CONSUMER ACTIVITIES WITH CORRESPONDING EXPENDITURE ACCOUNT AND OPERATING FUND TARGETS.

DEPARTMENT	EXPENDITURE ACCOUNT	TARGET
AIR FORCE LIASON	43200	0002
ARMY LIASON	43200	0007
ANESTHESIA	77195	0007
ADMISSION ROOM	77105	0001
BAGROOM	43210	0003
CENTRAL FILES	43100	0002
COLLECTION AGENT	43300	0020
CENTRAL STERILE SUPPLY	77100	0007
CHAPLAIN'S OFFICE	43117	0004
CIVIL READJUSMENT	43200	0001
CIVILIAN PERSONNEL	43200	0001
COMMUNICATIONS	43611	0007
CUSTODIAL	45714	0007
CHIEF NURSES OFFICE	43100	0020
CHIEF OF SURGERY	77100	0007
CHIEF OF MEDICINE	77100	0008
CHIEF OF OPHTHALMICS	77100	0016
CREW'S LIBRARY	43212	0005
DENTAL	77120	0012
DEPENDENTS RECORD	43250	0011
DERMATOLOGY CLINIC	77130	0019
DISBURSING	43300	0022
DUPPLICATING	43100	0002
DELIVERY ROOM	77195	0011
DECEASED SECTION	43250	0001
CARE OF THE DEAD	77000	0001
DEPENDENTS SERVICE WARDS		
A-1,A-2,A-3,A-4,A-5, F-6,F-10	77110	0011
EAR, NOSE AND THROAT CLINIC	77150	0010
ELECTROCARDIOGRAPHY	77120	0008
ELECTROENCEPHALOGRAPHY	77140	0018
EYE CLINIC	77150	0010
EMERGENCY TREATMENT ROOM		
MEDICAL	77125	0011
SURGICAL	77145	0011
FAST WING SUPERVISOR	77110	0020
FINANCE	43200	0026
FORE DEPARTMENT	45708	0006
FOOD SERVICE DIVISION	45314	0003

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EX. 4

DEPARTMENT	EXPENDITURE ACCOUNT	SARC
HOSPITAL CORPS QUARTERS	45313	0005
HOSPITAL CORPS TRAINING	43213	0020
HOSPITAL SENTRY DIVISION	45100	0023
INFORMATION AND EDUCATION	43213	0001
LABORATORY	77210	0015
LAUNDRY	45316	0002
LEGAL OFFICE	43100	0006
LINEN ROOM	77100	0002
MEDICAL LIBRARY	77100	0007
MARINE LEASON	43200	0001
MASTER A" ARMS	43200	0006
MEDICAL PHOTOGRAPHY	77210	0015
MEDICAL CLINIC (DEPENDENTS)	77120	0011
MEDICAL REPAIR	45810	0026
MEDICAL HISTORY	43250	0001
MAINTENANCE SERVICES - SEE LAST PAGE FOR LISTINGS		
NEWSPAPER OFFICE	43212	0004
NURSE QUARTERS	43213	0020
NEUROPSYCHIATRIC RECORD OFFICE	43250	0018
NURSE CORPS INDOCTRINATION	43213	0021
OCCUPATIONAL THERAPY	77215	0007
OPERATING ROOM	77195	0007
OFFICER PERSONNEL	43200	0001
OBSTETRIC & GYN CLINIC	77175	0011
PHARMACY	77205	0014
PATIENT RECORD OFFICE	4350	0001
PHYSICAL EVALUATION BOARD	77100	0001
PHYSICAL EXAMINATION	77100	0001
PHYSICAL THERAPY	77170	0007
PLASTER ROOM	77110	0016
PULMONARY FUNCTION	77125	0007
RESEARCH	46000	0024
PEDIATRIC CLINIC	77180	0013
PUBLIC WORKS OFFICE	43100	0005
PROCTOLOGY CLINIC	77145	0007
QUARTERS "D" (FUEL OIL #2 ONLY)	44621	0005
RADIOISOTOPE	77200	0013
RESEARCH	46000	0025
RECOVERY ROOM	77195	0007

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DEPARTMENT	EXPENDITURE ACCOUNT	TARGET
SECURITY OFFICE	43410	0006
GATE HOUSE (ENTER G-1 #2 ONLY)	43410	0006
SPECIAL SERVICES	43212	0004
STATISTICAL SECTION	43250	0001
STAFF PERSONNEL (ENLISTED)	43200	0001
S.O.Q. SUPERVISOR	77110	0020
SANITATION	77210	0015
SURGICAL CLINIC (DEPENDENTS)	77145	0011
TELEPHONE ROOM	43611	0002?
TUBERCULOSIS RECORD OFFICE	43250	0001
TUMOR CLINIC	77125	0007
UROLOGY CLINIC	77155	0017
WAVES QUARTERS	45313	0005?
WEST WING SUPERVISOR	77110	0020
X-RAY DEPARTMENT	77200	0013
WARDS (EXCEPT TB & DEPENDENTS)		
EAST WING, WEST WING, AD ¹ , AD ² , B-11		
C-13		
D-42, CONVALESCENT WARDS	77110	0020
MAINTENANCE (PUBLIC WORKS SHOPS)		
ALL SHOPS OPERATING (HANDTOOLS ETC.)	45310	0005
general (FITTINGS, PAINTS, ETC.)	45319	0005
CENTRAL HEAT-FUEL OIL #6	45422	0005
GARAGE - GASOLINE AND OIL		
PASSENGER-CARRYING VEHICLES	45211	0005
TRUCKS (EXCH. 45251 & 45254)	45212	0005
MATERIAL HANDLING (TRACTORS, ETC.)	45221	0005
CONSTRUCTION (PUMPS, COMPRESSORS)	45223	0005
FIRE APPARATUS	45251	0005
AMBULANCES	45253	0005
TRASH & GARAGE COLLECTION	45254	0005
STREET CLEANING & SNOW REMOVAL	45255	0005
GROUND KEEPING (MOWERS ETC.)	45256	0005

N 713.2.2

EX 4

Figure 15 .

U. S. NAVAL HOSPITAL

Target No.

From: Chief, Finance Division
To:

Subj: Status of Operating Target as of _____.

Ref. (a) NAVHOSP INST. 7300.2 dtd 24 NOV 1958.

1. The accounting records maintained in the Finance Office for subject target
is as follows:

<u>Target Amount</u>	<u>Obligations and Expenditures</u>	<u>Available Balance</u>
----------------------	-------------------------------------	--------------------------

FIN 7/30.2

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Ex 3

the report that was utilized.

Records maintained in the Finance Division included a simple ledger containing the same information which was reported to the target holder in Figure 15. As expenditures and obligations were received in the Finance Division the information pertaining to each target holder was entered in this ledger.

For further control trends charts were maintained as illustrated by Appendix D. These charts were made available to the target holders and were also presented to the administrative officer, executive officer, and the commanding officer for their review. Reasons as to why a target holder was below or above the trend line were included along with the charts.

The improvements in financial operations, budgeting, and cost consciousness on the part of all operating personnel did have a beneficial effect on the overall operation of the hospital. Through this system of communication it created interest and kept the hospital team informed of the financial operation of the hospital.

CHAPTER VI

CONCLUSION

Throughout this paper the writer has attempted to keep before the reader's mind the tremendous effect that growth has had on organizations and communication. It has caused lines of communication to become overburdened and in some cases break down. It has caused improvements in our organizations and especially in the field of financial management. Accounting systems have had to be devised in order to meet the operating and reporting requirements of the various activities. In conjunction with accounting, improvements in financial management have been required.

The writer believes that the Finance Officer's alertness to operating problems should not end with what the writer has presented in this paper. Constant analysis of the various segments of the operation cannot but help bring to light improvements in operating performance. Business has found this to be true. Through the constant study of various operating facets of the business, there is brought to light improvements needed in operating techniques, as well as economies possible under prevailing techniques. Current business competition makes this procedure imperative in order to keep abreast of the swift running stream of commerce.¹⁹ In like manner, it has been

¹⁹Ibid., p. 8.

shown time and time again that when the Finance Officer's mind is applied directly to individual segments of a hospital operation, analysis techniques can reduce costs.

If the management team is to meet the challenge of the day and prove to all and sundry that their hospital is giving the best medical care at the lowest possible cost, then the Finance Officer as a team member must be sure that he is contributing all the knowledge and techniques expected of the position for which he was trained. Necessarily, the Finance Officer cannot make such studies if he himself is bogged down in the day-to-day details of regular bookkeeping procedures.

In the present business world, the accountant's advice is more frequently sought and his opinion more often relied upon than ever before. He has come a long way from his high bookkeeping desk to his present important executive level on the management team.²⁰ Changing times and competitive needs have undoubtedly had their effect, but the accountant in the commercial world had to meet their challenge and earn his present respected position.²¹

Today, as never before, the gauntlet of challenge lies before the Finance Officer. His is the decision to accept it and become the nerve center of the management team, or reject it and remain just one step removed from the high desk bookkeeper.

The role that the Finance Officer plays is, in the ultimate, entirely up to him.

²⁰Ibid., p. 9.

²¹Ibid.

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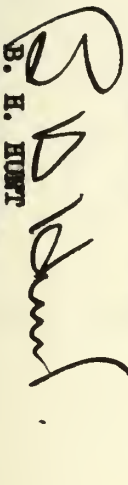
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FINANCIAL PLAN
UNITED STATES NAVAL HOSPITAL
ST ALBANS, LONG ISLAND, NEW YORK

FISCAL YEAR 1959

SUBMITTED



B. H. HOUT

LCDR MSC USN

Finance Officer

APPROVED



CECIL L. ANDREWS

CAPT MC USN

Commanding Officer

11 November 1958

FIRST RECOMMENDATION on GSHH, St. Albans ltr. NE59-6-ah, L10 dtd 10 November 1958

From: Commanding Officer

To: Chief, Finance Division

Subj: Financial Plan, Fiscal Year 1959, Amendment to

1. Approved.

CECIL L. ANDREWS

NH59-6-eh
LLO
10 November 1958

From: Chief, Finance Division
To: Commanding Officer

Subj: Financial Plan, FY 1959, Amendment No. 1

Ref: (a) NH59- Financial Plan FY 1959 dtd 24 September 1958
(b) NH59- ltr. Serial 1041 dtd 19 June 1958
(c) Allotment authorization dtd 23 October 1958 (16039--\$55,600.)
(d) NH59-ltr. Serial 1594 dtd 21 October 1958
(e) Allotment authorization dtd 6 November 1958 (80039--\$5,700.)

1. Reference (c) allocated necessary funds to cover requirements stated in references (a) and (b). This additional allocation of funds will permit the procurement of minimum equipment requirements totaling \$80,000. Procurement will be made from previously approved equipment items.
2. Reference (e) allocated additional funds to cover research requirements stated in reference (d).
3. Necessary changes have been made in reference (a) under certain functions and these changes are submitted herewith for approval.

B. H. HUNT

25 September 1958

LINE RECORDED ON WHEM, St. Albans ltr. 8879-6-eh, LLO dtd 25 September 1958

From: Commanding Officer

To: Chief, Finance Division

Subj: Financial Plan, Fiscal Year 1959

1. Approved.

CECIL L. ANDERSON

110

24 September 1958

allowment \$3000. This was in line with the funds allocated. Recruitment of additional employees listed in reference (b) is impossible at this time. Due to per annum pay increase authorized by reference (h), inadequate funding in this area still exists in the amount of \$55,657.00, or \$18,905.00 second quarter, \$18,865.00 third quarter, and \$18,487.00 fourth quarter. It is anticipated that additional funding will be forthcoming from the Bureau of Medicine and Surgery.

5. It is recommended that procurement of essential equipment be determined on a priority basis and procurement action instituted as funds become adequate for overall operation of the hospital. Reference (c) allocated \$30,000.00 for procurement of equipment but \$55,657.00 of these funds should be held in abeyance until such time as the hospital is assured by Budget of further funding to cover the additional quarterly requirements of the per annum pay increase.

6. Funds in the remaining areas indicated on the Financial plan will be adequate providing the estimated statistics and the actual statistics are in close approximation. Requirements for refurbishing of equipment for waiting rooms, rug and window cleaning, etc., will have to be accomplished from any saving that can be generated from the present operating funds.

7. In view of the above and the known requirements in all areas in the hospital all possible conservation measures should be instituted through the conservation committee, continued supply economies, and continued study in all areas to reduce cost but still provide the standard of Medical Care which this hospital is expected to provide.

B. H. HUNT

HR39-6-oh

L10

24 September 1958

From: Chief, Finance Division

To: Commanding Officer

Subj: Financial Plan, Fiscal Year 1959

- Ref: (a) Form 2331, Hospital Financial Management Book
(b) Estimates of budgetary requirements FY 1959 dtd 8 May 1958
(including Research and Development)
(c) Allotment authorization NavCompt 372's dtd 10 June 1958 (16039)
and 12 June 1958 (30039)
(d) HR39 ltr Serial 1041 dtd 19 June 1958
(e) Allotment authorization NavCompt 372 dtd 16 July 1958
(16039 - \$225,000.00)
(f) HR39 ltr Serial 1184 dtd 25 July 1958
(g) Allotment authorization dtd 12 Sept 1958 (16039 - \$18,600.00)
(h) OIR Notice 12195 dtd 13 June 1958

Encl: (1) Financial Plan Fiscal Year 1959

1. As required by reference (a), enclosure (1) is submitted herewith for approval.

2. Reference (b) was compiled on 8 May 1958 and forwarded to the Bureau of Medicine and Surgery in compliance with instructions contained in reference (a). Reference (a) authorized funds in the amount of \$3,764,400.00 for Maintenance and Operation of the Hospital and \$16,000.00 for Research and Development during FY 1959; this was \$1,037,700.00 and \$6,750.00 less than budgeted for under reference (b). Reference (d) requested an increase of \$243,242.00 to cover inadequate funding provided by reference (c). Reference (e) authorized additional funds in the amount of \$225,000.00, total authorized amount under Medical Care, \$3,989,400.00. Reference (h) authorized a per annum pay increase which required preparation of reference (f) in the amount of \$74,455.00. Reference (g) authorized an additional \$18,600.00 to cover first quarter FY 1959 requirements for per annum pay increase. Total funds presently available FY 1959, Allotment 16039, \$4,032,800.00 which is \$55,657.00 less than the amount actually required for effective operation. (\$4,087,357.00 minimum requirements).

3. On the basis of the above funds received, adjustments have been made in objectives and planned performances, with exception of the \$55,657.00 required for per annum pay increase, in order to provide for a plan of operation throughout the fiscal year at the level authorized in the fund authorizations as set forth in enclosure (1).

4. Reference (b) requested funds to employ 517 civil service employees. Reference (c) indicated the level to be 475 under allotment 16039 and one under

FINANCIAL PLAN FY 1959

STATISTICS IN SUPPORT OF FUNDING REQUIREMENTS

The support of budget functions requirements by use of indicators is necessary to express quantitatively the proposed financial plan. Budget and performance indicators are not intended to be precise or detailed calculations of workload. They are intended only as an expression of workload on a representative basis, using reasonably constant factors.

ADMINISTRATION:

Full time equivalents of Military Staff	780
Full time equivalents of Civilian Staff	476
Average daily patient census	
Total average daily staff & patient	<u>1081</u> 2377
Total performance indicator planned for FY '59	852,640
Unit Cost	.472
Funds required	\$ <u>402,550.00</u>

PROFESSIONAL CARE OF INPATIENTS:

Daily average number of beds occupied	999
Average length of patient stay (39)	
Factor to be used	<u>.71</u> 709.21
Daily average beds occupied by dependents	103 <u>x 2</u> 206
Daily average bassinets occupied	10
Daily performance indicators	925
Total performance indicators planned for FY '59	337,625
Unit Cost	2.829
Funds required	\$ <u>955,179.00</u>

DIETETIC SERVICE:

Rations to be served in regular mess hall	238,661
Rations regular diet to be served in wards	239,632
Therapeutic rations to be served	151,707
Total performance indicator planned FY '59	630,000
Unit Cost	
Funds required	3A \$ 901,842.40 3B 225,460.60
Total	\$ <u>1,127,303.00</u>

FINANCIAL PLAN FY 1959

RECREATIONAL SERVICE:

Full time equivalent of Military staff	780
Average daily military inpatient census	899
Total performance indicator planned FY '59	612,835
Unit Cost	.008
Funds required	\$ <u>5,352.00</u>

MAINTENANCE AND OPERATION, BUILDINGS AND GROUNDS:

5a - MAINTENANCE

Thousands of square feet in all buildings	1,864,420
Less BF 13, 14 and 15	<u>310,845</u>
Total	1,553,575
Total Acreage	121.224
Less covered acreage	<u>41.297</u>
	79.297
	x 7
	<u>559,489</u>
	559,489
	2,113.064
	x 365
	<u>771,245</u>
Total performance indicator to be used FY 1959	771,245
Unit Cost	.619
Funds required	\$ <u>477,710.00</u>

5b - OPERATIONS

Total performance indicator to be used FY 1959 (same as BF 1)	852,640
Unit Cost	.840
Funds required	\$ <u>716,565.00</u>
5a	.619
5b	.840
Total required BF 5	\$ <u><u>1,194,275</u></u>

LAUNDRY SERVICE:

Pounds of laundry to be processed FY 1959	2,009,195
Unit Cost	.319
Funds required	\$ <u>64,262.00</u>

TRANSPORTATION SERVICE:

Mileage to be driven during FY 1959	202,651
Unit Cost	.642
Funds required	\$ <u>130,231.00</u>

FURNITURE, FURNISHINGS, AND EQUIPMENT:

\$ 80,000 .00

MAINTENANCE AND OPERATION, PERSONNEL QUARTERS:

Thousands of square feet in all Personnel Qtrs. 310,845

Total performance indicator to be used FY 1959 113,150

Unit Cost .538

Funds required \$ 60,898.00RESEARCH AND DIAGNOSTIC SERVICES:\$ 16,000.00EDUCATION AND TRAINING:

Full time equivalent of Medical & Dental Interns 23

Full time equivalent of Medical & Dental Residents 40

Full time equivalent of Class C students 30

Total 93

Total planned performance indicator FY 1959 33,945

Unit Cost 1.262

Funds required \$ 42,850.00OUTPATIENT MEDICAL AND DENTAL SERVICES:Total outpatient visits, flight physicals,
examinations, and other complete physical
examinations FY 1959 71420Total number of dental outpatients treated for
FY 1959 3720Total planned performance indicator FY 1959 75140

All costs under this function are charged to BF 2 in the first instance
and prorated to this function at end of quarter by cost adjustment.

17a - MAJOR REPAIRS TO STRUCTURES AND REPLACEMENT OF
FIXED EQUIPMENT:Funds \$ 3,615.0018 - CARE OF THE DEAD:

Estimate number of remains 30

Funds \$ 5,342.00

FINANCIAL PLAN FY 1959

RECEIPTS FROM BUREAU OF MEDICINE AND SURGERY

RECEIPTS	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	TOTAL
Original 372 (16039)	1,058,300	914,200	914,200	877,700	3,764,400
Amendment (16039)	None	76,500	78,700	69,800	225,000
Amendment (16039)	18,800	None	None	None	18,800
Original 372 (80039)	14,400	None	1,600	None	16,000
Est. Funded Accts. Rec.	2,000	2,000	2,000	2,000	8,000
TOTALS	1,093,500	992,700	996,500	949,500	4,032,200

FINANCIAL PLAN BY BUDGET FUNCTIONS

B	F	BUDGET FUNCTION	AUTH CIV EMPL	1ST QTR PLANNED	2ND QTR PLANNED	3RD QTR PLANNED	4TH QTR PLANNED	AMT REQUESTED BY B. F.	AMT RECEIVED BY B. F.	CUT IN FUNDS BY B. F.	RE-ALLOCATION OF FUNDS
1		Administration	67	101,389	101,581	99,014	100,566	463,333	402,550	60,783	402,550
2		Prof. Care of Pts.	103	244,434	218,364	217,729	218,995	1,074,450	899,522	174,928	899,522
3		Dietetic Service	122	283,546	285,476	278,812	279,469	1,235,057	1,127,303	107,754	1,127,303
4		Recreational	1	1,343	1,343	1,307	1,359	5,352	5,352	None	5,352
5		Maint & Oper Bldgs. & Grounds	129	287,664	307,081	324,373	275,157	1,290,681	1,194,275	96,406	1,194,275
6		Laundry	20	16,240	16,237	15,778	16,007	64,262	64,262	None	64,262
8		Transportation	20	32,872	33,071	32,034	32,254	130,231	130,231	None	130,231
11		Furn. & Furnishings & Equipment	None	80,000	None	None	None	242,235	80,000	162,235	80,000
13		Maint. & Oper. Pers. Qtrs.	13	15,311	15,383	15,142	15,062	157,038	60,898	96,140	60,898
14		Research & Diag Serv	1	14,400	None	1,600	None	22,750	16,000	6,750	16,000
15		Education & Training	None	11,336	12,814	9,400	9,300	50,574	42,850	7,724	42,850
17		Capital Expenses	None	None	None	None	None	17,500	None	17,500	None
17a		Major Rep to Struct	None	3,615	None	None	None	176,200	3,615	172,585	3,615
18		Care of the Dead	1	1,350	1,350	1,311	1,331	5,342	5,342	None	5,342
19		All Other Non Hosp	None	None	None	None	None	14,300	None	14,300	None
		TOTAL	477	1,093,500	992,700	996,500	949,500	4,949,305	4,032,200	917,105	4,032,200

FINANCIAL PLAN FY 1959

BUDGET FUNCTION 1 ADMINISTRATION

ITEM	1ST QTR PLANNED	2ND QTR PLANNED	3RD QTR PLANNED	4TH QTR PLANNED	AMT REQUESTED BY B. F.	AMT RE-ALLO- CATED FROM REC'D FUNDS	CUT IN FUNDS
Civilian Pay	82,490	82,686	80,261	81,724	375,282	327,161	48,121
Federal Life Insurance	243	240	240	240	1,135	963	172
Retirement Fund	5,242	5,241	5,099	5,188	23,895	20,770	3,125
Telephones	9,000	9,000	9,000	9,000	36,000	36,000	None
Printing	500	500	500	500	4,000	2,000	2,000
Travel	700	700	700	700	5,200	2,800	2,400
Maint. Contracts	214	214	214	214	856	856	None
Non Recurring Service	-	-	-	-	2,905	-	2,905
Non Recurring Supplies	-	-	-	-	2,060	-	2,060
Supplies	3,000	3,000	3,000	3,000	12,000	12,000	None
TOTALS	101,389	101,581	99,014	100,566	463,333	402,550	60,783

FINANCIAL PLAN FY 1959

BUDGET FUNCTION 2 PROFESSIONAL CARE OF INPATIENTS							
ITEM	1ST QTR PLANNED	2ND QTR PLANNED	3RD QTR PLANNED	4TH QTR PLANNED	AMT REQUESTED BY B. F.	AMT RE-ALLO- CATED FROM REC'D FUNDS	CUT IN FUNDS
Civilian Pay	116,761	117,906	113,819	115,875	517,474	464,361	53,113
Federal Life Insurance	297	297	278	278	1,342	1,150	192
Retirement Fund	6,637	6,668	6,471	6,635	29,862	26,411	3,451
F.I.C.A.	284	285	284	279	1,132	1,132	None
Non Recurring Service	-	-	-	-	12,548	-	12,548
Non Recurring Supplies	-	-	-	-	8,896	-	8,896
Central Dictating System	1,252	1,252	1,252	1,252	5,008	5,008	None
Maintenance Contracts	547	547	547	547	2,188	2,188	None
Supplies	118,656	91,409	95,078	94,129	496,000	399,272	96,728
TOTAL	244,434	218,364	217,729	218,995	1,074,450	899,522	174,928

FINANCIAL PLAN FY 1959

BUDGET FUNCTION 3 DIETETIC SERVICE

ITEM	<u>1ST QTR</u> PLANNED	<u>2ND QTR</u> PLANNED	<u>3RD QTR</u> PLANNED	<u>4TH QTR</u> PLANNED	AMT REQUESTED BY B. F.	AMT RE-ALLO- CATED FROM REC'D FUNDS	CUT IN FUNDS
Civilian Pay	147,745	149,667	143,300	143,828	659,305	584,540	74,765
Federal Life Insurance	461	461	447	451	2,102	1,820	282
Retirement Fund	9,315	9,323	9,042	9,167	41,554	36,847	4,707
F.I.C.A.	25	25	23	23	96	96	None
Provisions	121,000	121,000	121,000	121,000	508,000	484,000	24,000
Supplies	5,000	5,000	5,000	5,000	24,000	20,000	4,000
TOTALS	283,546	285,476	278,812	279,469	1,235,057	1,127,303	107,754

FINANCIAL PLAN FY 1959

BUDGET FUNCTION 4 RECREATION SERVICE							
ITEM	<u>1ST QTR</u> PLANNED	<u>2ND QTR</u> PLANNED	<u>3RD QTR</u> PLANNED	<u>4TH QTR</u> PLANNED	AMT REQUESTED BY B. F.	AMT RE-ALLO- CATED FROM REC'D FUNDS	CUT IN FUNDS
Civilian Pay	1,308	1,308	1,273	1,324	5,213	5,213	None
F. I. C. A.	35	35	34	35	139	139	None
TOTAL	1,343	1,343	1,307	1,359	5,352	5,352	None

FINANCIAL PLAN FY 1959

BUDGET FUNCTION 5 MAINT. OPER. BUDGS. &

ITEM	1ST QTR PLANNED	2ND QTR PLANNED	3RD QTR PLANNED	4TH QTR PLANNED	AMT REQUESTED BY B. F.	AMT RE-ALLO- CATED FROM REC'D FUNDS	CUT IN FUNDS
Civilian Pay	173,893	174,467	168,597	170,716	694,086	687,673	6,413
Federal Life Insurance	534	534	530	534	2,132	2,132	None
F.I.C.A.	24	24	23	24	95	95	None
Retirement Fund	11,006	11,009	10,676	10,836	43,942	43,527	415
Fuel Oil #6	22,500	67,500	90,000	39,000	219,000	219,000	None
Gas	750	750	750	750	3,000	3,000	None
Electric	24,000	23,000	24,000	23,000	94,000	94,000	None
Water	6,000	4,500	4,500	5,000	20,000	20,000	None
Sewer	2,500	2,500	2,500	2,500	10,000	10,000	None
Maintenance Contracts	5,797	5,797	5,797	5,797	34,873	23,188	11,685
Non Recurring Supplies	-	-	-	-	20,153	-	20,153
SMR'S 1958	23,660	-	-	-	34,200	23,660	10,540
SMR'S 1959	-	-	-	-	15,200	-	15,200
Service (07) Other than Maint. Cont.	5,000	5,000	5,000	5,000	20,000	20,000	None
Supplies	12,000	12,000	12,000	12,000	80,000	48,000	32,000
TOTAL	287,664	307,081	324,373	275,157	1,290,681	1,194,275	96,406

BUDGET FUNCTION 6 LAUNDRY

FINANCIAL PLAN FY 1959

ITEM	<u>1ST QTR</u> <u>PLANNED</u>	<u>2ND QTR</u> <u>PLANNED</u>	<u>3RD QTR</u> <u>PLANNED</u>	<u>4TH QTR</u> <u>PLANNED</u>	AMT REQUESTED BY B. F.	AMT RE-ALLO- CATED FROM REC'D FUNDS	CUT IN FUNDS
Civilian Pay	14,230	14,230	13,799	14,014	56,273	56,273	None
F. I. C. A.	45	42	42	42	171	171	None
Federal Life Insurance	40	40	40	40	160	160	None
Retirement Fund	925	925	897	911	3,658	3,658	None
Supplies	1,000	1,000	1,000	1,000	4,000	4,000	None
TOTALS	16,240	16,237	15,778	16,007	64,262	64,262	None

BUDGET FUNCTION 8 TRANSPORTATION

FINANCIAL PLAN FY 1959

ITEM	<u>1ST QTR</u> <u>PLANNED</u>	<u>2ND QTR</u> <u>PLANNED</u>	<u>3RD QTR</u> <u>PLANNED</u>	<u>4TH QTR</u> <u>PLANNED</u>	AMT REQUESTED BY B. F.	AMT RE-ALLO- CATED FROM REC'D FUNDS	CUT IN FUNDS
Civilian Pay	27,051	27,249	26,263	26,459	107,022	107,022	None
Federal Life Insurance	89	89	89	89	356	356	None
Retirement Fund	1,732	1,733	1,682	1,706	6,853	6,853	None
Gasoline & Motor Oil	1,500	1,500	1,500	1,500	6,000	6,000	None
Automotive Repairs Cont.	1,500	1,500	1,500	1,500	6,000	6,000	None
Supplies (Other than Gas & Oil)	1,000	1,000	1,000	1,000	4,000	4,000	None
TOTALS	32,872	33,071	32,034	32,254	130,231	130,231	None

FINANCIAL PLAN FY 1959

BUDGET FUNCTION 11 FURNITURE, FURNISHINGS & EQUIPMENT

ITEM	1ST QTR PLANNED	2ND QTR PLANNED	3RD QTR PLANNED	4TH QTR PLANNED	AMT REQUESTED BY B. F.	AMT RE-ALLO- CATED FROM REC'D FUNDS	CUT IN FUNDS
Plant Acct. Requisition					228,262		
Plant Acct. Not Requiring Bureau Approval					7,636		
Plant Acct. Standard Equipment					3,400		
Minor Equipment St.					1,151		
Minor Equipment Regular					1,786		
TOTALS	80,000				242,235	80,000	162,235

FINANCIAL PLAN FY 1959

BUDGET FUNCTION 13 MAINTENANCE & OPER. PERSONNEL QTRS.

ITEM	1ST QTR PLANNED	2ND QTR PLANNED	3RD QTR PLANNED	4TH QTR PLANNED	AMT REQUESTED BY B. F.	AMT RE-ALLO- CATED FROM REC'D FUNDS	CUT IN FUNDS
Civilian Pay	14,350	14,422	14,219	14,114	57,105	57,105	None
Federal Life Insurance	35	35	34	35	139	139	None
Retirement Fund	926	926	889	913	3,654	3,654	None
Maint. 14 sets Quarters	-	-	-	-	7,832	-	7,832
Rep. & Rep. Furn. 14 sets Quarters	-	-	-	-	5,008	-	5,008
SWR'S	-	-	-	-	68,000	-	68,000
Non Recurring Services	-	-	-	-	11,750	-	11,750
Non Recurring Supplies	-	-	-	-	3,550	-	3,550
TOTALS	15,311	15,383	15,142	15,062	157,038	60,898	96,140

FINANCIAL PLAN FY 1959

BUDGET FUNCTION 14 RESEARCH & DEVELOPMENT

ITEM	1ST QTR PLANNED	2ND QTR PLANNED	3RD QTR PLANNED	4TH QTR PLANNED	AMT REQUESTED BY B. F.	AMT RE-ALLO- CATED FROM REC'D FUNDS	CUT IN FUNDS
Total of Budget Function	14,400	-	1,600	-	22,750	16,000	6,750

FINANCIAL PLAN FY 1959

BUDGET FUNCTION 15 EDUCATION & TRAINING

ITEM	1ST QTR PLANNED	2ND QTR PLANNED	3RD QTR PLANNED	4TH QTR PLANNED	AMT REQUESTED BY B. F.	AMT RE-ALLO- CATED FROM REC'D FUNDS	CUT IN FUNDS
Civilian Pay	-	-	-	-	6,374	-	6,374
Federal Life Insurance	-	-	-	-	36	-	36
Retirement Fund	-	-	-	-	414	-	414
Binding Med. Periodicals	-	1,000	-	-	1,000	1,000	None
Sub. Med. Periodicals	786	1,214	-	-	2,000	2,000	None
Medical Books	1,200	1,200	-	-	2,400	2,400	None
Medical Consultants	9,000	9,000	9,000	9,000	36,000	36,000	None
Dental Consultants	300	300	300	300	1,200	1,200	None
Nurse Consultants	50	100	100	None	250	250	None
Reprints	-	-	-	-	400	-	400
Non Recurring Supplies	-	-	-	-	360	-	360
Plant Equip. Not Requiring Bureau approval	-	-	-	-	140	-	140
TOTALS	11,336	12,814	9,400	9,300	50,574	42,850	7,724

FINANCIAL PLAN FY 1959

BUDGET FUNCTION 17 CAPITAL EXP. (LAND & BLDGS.)

ITEM	<u>1ST QTR</u> <u>PLANNED</u>	<u>2ND QTR</u> <u>PLANNED</u>	<u>3RD QTR</u> <u>PLANNED</u>	<u>4TH QTR</u> <u>PLANNED</u>	AMT REQUESTED BY B. F.	AMT RE-ALLO- CATED FROM REC'D FUNDS	CUT IN FUNDS
SWR'S 1958	-	-	-	-	13,300	-	13,300
SWR'S 1959	-	-	-	-	4,200	-	4,200
TOTALS	-	-	-	-	17,500	-	17,500

BUDGET FUNCTION 17a MAJOR REPAIRS TO STRUCTURES

FINANCIAL PLAN FY 1959

ITEM	<u>1ST QTR</u> <u>PLANNED</u>	<u>2ND QTR</u> <u>PLANNED</u>	<u>3RD QTR</u> <u>PLANNED</u>	<u>4TH QTR</u> <u>PLANNED</u>	AMT REQUESTED BY B. F.	AMT RE-ALLO- CATED FROM REC'D FUNDS	CUT IN FUNDS
SWR'S 1958	-	-	-	-	20,100	-	20,100
SWR'S 1959	3,615	-	-	-	156,100	3,615	152,485
TOTALS	3,615	-	-	-	176,200	3,615	172,585

BUDGET FUNCTION 18 CARE OF THE DEAD

FINANCIAL PLAN FY 1959

ITEM	<u>1ST QTR</u> PLANNED	<u>2ND QTR</u> PLANNED	<u>3RD QTR</u> PLANNED	<u>4TH QTR</u> PLANNED	AMT REQUESTED BY B. F.	AMT RE-ALLO- CATED FROM REC'D FUNDS	CUT IN FUNDS
Civilian Pay	1,263	1,263	1,228	1,245	4,999	4,999	None
Federal Life Insurance	5	5	5	5	20	20	None
Retirement Fund	82	82	78	81	323	323	None
TOTALS	1,350	1,350	1,311	1,331	5,342	5,342	None

BUDGET FUNCTION 19 ALL OTHER NON HOSPITAL EXPENSES

FINANCIAL PLAN FY 1959

ITEM	<u>1ST QTR</u> PLANNED	<u>2ND QTR</u> PLANNED	<u>3RD QTR</u> PLANNED	<u>4TH QTR</u> PLANNED	AMT REQUESTED BY B. F.	AMT RE-ALLO- CATED FROM REC'D FUNDS	CUT IN FUNDS
Equipment Quarters	-	-	-	-	14,300	-	14,300

ANALYSIS OF BUDGET FUNCTIONS BY ITEMS

ITEM	AMT REC'D BY B. F.	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	%
Per. Services	2,294,347	579,091	583,198	562,759	569,299	.5712
Retirement Fund	142,075	35,873	35,915	34,842	35,445	.0354
Provisions	484,000	121,000	121,000	121,000	121,000	.1205
Equipment	80,000	80,000	None	None	None	.0199
SWR'S	27,275	27,275	None	None	None	.0068
Lectures	37,450	9,350	9,400	9,400	9,300	.0093
Telephones	36,000	9,000	9,000	9,000	9,000	.0089
Printing	2,000	500	500	500	500	.0005
Travel	2,800	700	700	700	700	.0007
Fuel Oil #6	219,000	22,500	67,500	90,000	39,000	.0545
Gas	3,000	750	750	750	750	.0007
Electric	94,000	24,000	23,000	24,000	23,000	.0234
Water	20,000	6,000	4,500	4,500	5,000	.0050
Sewer	10,000	2,500	2,500	2,500	2,500	.0025
Binding	1,000	None	1,000	None	None	.0003
Periodicals	2,000	786	1,214	None	None	.0005
Medical Books	2,400	1,200	1,200	None	None	.0006
Services (07)	20,000	5,000	5,000	5,000	5,000	.0050
Maint. Contracts	37,240	9,310	9,310	9,310	9,310	.0093
Federal Life Ins.	6,740	1,704	1,701	1,663	1,672	.0017
F.I.C.A.	1,601	405	403	398	395	.0004
Gasoline & Motor Oil	6,000	1,500	1,500	1,500	1,500	.0015
Supplies (NSA)	395,000	110,000	95,000	95,000	95,000	.0984
Supplies (End Use)	92,272	30,656	18,409	22,078	21,129	.0230
Research	16,000	14,400	None	1,600	None	-
TOTALS	4,032,200	1,093,500	992,700	996,500	949,500	100%

BREAKDOWN BY ITEM OF THE CUT IN FUNDS

Provisions	24,000.00
SMR'S	283,825.00
Equipment	176,675.00
Personal Services	188,786.00
Retirement	12,112.00
Insurance	682.00
Contracts (Window Cleaners)	11,685.00
Supplies (Regular)	132,728.00
Printing	2,000.00
Travel	2,400.00
Maint. 14 sets of Qtrs.	7,832.00
Rep. & Rep. Furnishings 14 sets of Qtrs.	5,008.00
Non-Recurring Supplies	35,019.00
Non-Recurring Services	27,203.00
Reprints	400.00
Research	6,750.00
TOTAL	\$ 917,105.00

SAMPLE FORMAT FOR FINANCIAL PLAN, FY _____
 U. S. Naval Hospital
 Xample, Minnesota

Budget Function and Expenditure Account	<u>First Quarter</u>			<u>Fourth Quarter</u>			<u>Total</u>			<u>Additional Requirement</u>		
	<u>P.I.</u>	<u>Unit</u>	<u>Cost</u>	<u>P.I.</u>	<u>Unit</u>	<u>Cost</u>	<u>P.I.</u>	<u>Unit</u>	<u>Cost</u>	<u>P.I.</u>	<u>Unit</u>	<u>Cost</u>
			<u>Total</u>			<u>Total</u>			<u>Total</u>			<u>Total</u>

1 ADMINISTRATION

- 43100
- 43200
- 43300
- 43600
- 43700
- 43800
- 43900
- 45100
- 45320
- 99315
- 99350

2 & 16 PROF CARE OF PTS

- 43250
- 771XX, 772XX (In-pt Acts)
- 771XX (Clinics), 77405,
- 44350, (Out-pt Acts)

3 DIETETICS

- 45314
- 73225

4 RECREATION

- 43117, 43212, 45315

5 M&O BLDG & GROUNDS

- 43400
- 442XX(less 210, 211, 212,

APPENDIX B

and the position and
position of the unit

ANALYTICAL

43600
43700
43800
43900
44000
44100
44200
44300
44400
44500

2416 PROF CARP. OF PTS

4550

7221X imp. N. 59

157.43212.45315

186. BZDC & GROUND

Budget Function and
Expenditure Account

First Quarter			Fourth Quarter			Total			Additive Requirement		
P.I.	Unit	Cost	P.I.	Unit	Cost	P.I.	Unit	Cost	P.I.	Unit	Cost
Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total

443XX (less 340, 344, 346,
347, 350, 354)

444XX

445XX

446XX

447XX

448XX (less 4484X subgroup)

452XX (less 210, 211, 212,
213, 251, 253)

453XX (less 313, 314, 315,
316, 317, 320)

454XX (use each individual
account applicable)

457XX

458XX (less 4584X subgroup)

6 LAUNDRY SERVICE

45316

45317

8 TRANSPORTATION SERVICES

44-210, 211, 212, 213, 253, 840

45-210, 211, 212, 213, 253, 840

11 TURN, FIX & EQUIP

41910

44346

13 MGO PERSONNEL QTRS

44344

45313

14 RESEARCH & DEVELOPMENT

41912, 44346, 46000

Budget Function and
Fundamental Account

16 EDUCATION & TRAINING

41913
44347
76-515,520
76-525,530
76-535-540
76-541-542
76545
76555

17 CAPITAL EXPENDITURES

41-110,120,130,140
42-851,852,853

19 OTHER NON-HOSP EXPENSE

41911
43220
44354
77410
77420
77510
99381

First Quarter			Fourth Quarter			Total			Additional		
Unit			Unit			Unit			Requirement		
P.I.	Cost	Total	P.I.	Cost	Total	P.I.	Cost	Total	P.I.	Cost	Total

U. S. NAVAL HOSPITAL
ST. ALBANS 25, N. Y.

NAVHOSP NOTICE 7100
NH59-6-mls
7 August 1958

APPENDIX C

NAVHOSP NOTICE 7100

From: Commanding Officer
To: Special Distribution List

Subj: Procurement of Equipment, FY 1959

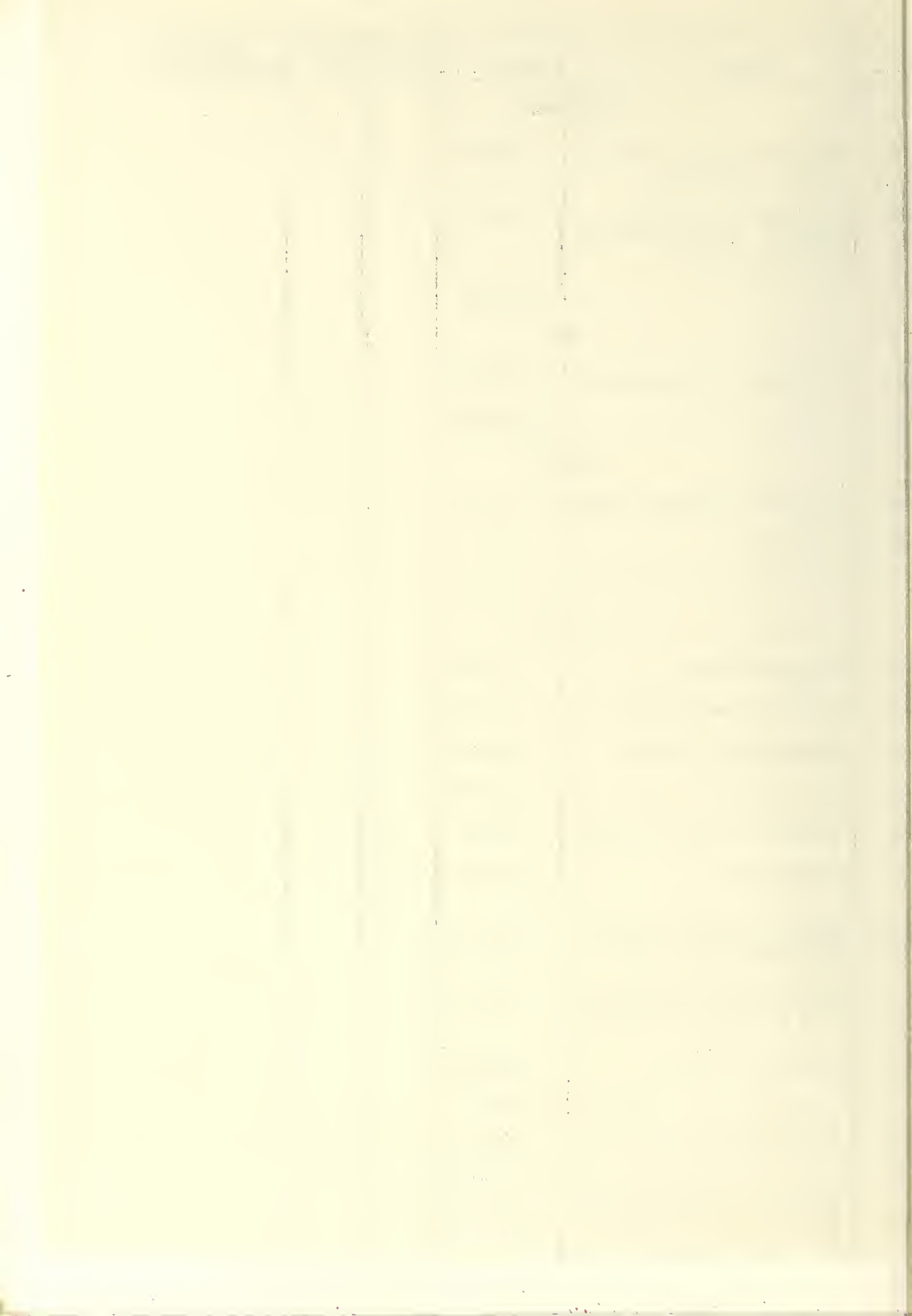
Encl: (1) Listing by Department of equipment requested in
FY 1959 Budget

1. Information. A total of \$256,675.00 was requested in Fiscal Year 1959 Budget for equipment at this hospital. A total of \$80,000.00 was allocated by the Bureau of Medicine and Surgery, a cut of approximately 69%.
2. Action. All Chiefs of Services and Department Heads are requested to review the section of enclosure (1) applicable to their Service or Department, determining which items of equipment can or cannot be eliminated in order to facilitate the necessary cut. Retain enclosure (1) which will be used at a Commanding Officer's conference to be announced at a later date.
3. Cancellation. This Notice is cancelled on 1 October 1958.


CECIL L. ANDREWS

NO 08/	ITEM	COST	CAN BE DELETED YES	NO	COMMENT OR APPROVED AMOUNT
	ADMINISTRATION				
0-59	Cash Registers	2,214.58			
1-59	Accounting Reporting Machine	4,385.98			
2-59		<u>6,600.56</u>			
	ANESTHESIOLOGY				
4-59	Anesthograph	2,084.50			
5-59	Anesthesia Machines	2,724.70			
6-59	Controlled Respiration Units	956.45			
7-59	Recovery Beds	1,380.50			
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	CENTRAL SUPPLY				
0-59	Cry-Oxide Sterilizer	5,255.25			
1-59	Sterilizers	16,342.20			
2-59	Water Still	2,409.00			
3-59					
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	DEPENDENTS				
0-59	L6530-704-3000 Wheel Chair	110.36			
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Q.NO 100/	ITEM	COST	CAN BE YES	DELETED NO	COMMENT OR APPROVED AMOUNT
	DEEENEDENTS				
STANDARD MINOR	L6530-704-30 Wheel Chair, folding (10@ 58.28)	582.30			
STANDARD MINOR	L6530-299-8298 Light, surgical, stand, explosion proof (1@ 318.00)	318.00			
TOTAL		<u>1,011.16</u>			
	ENT				
23-59	Audiometric Examining Room	2,944.81			
TOTAL		<u>2,944.81</u>			
	FINANCE				
32-59	Accounting Reporting Machines	14,457.22			
33-59	Calculators	2,960.85			
TOTAL		<u>17,418.07</u>			
	FOOD SERVICE				
23-59	Deep Fat Fryers	1,732.50			
24-59	Dish Dispenser Lowerators	1,038.27			
25-59	Dri-Heat Tray Conveyors	5,867.00			
26-59	Meat Slicer	544.50			
27-59	Vegetable Cutter and Slicer	682.00			
46-59	Refrigerator	2,767.60			
MINOR UNDER \$500	Waring Blender, Commerical Model CB-3 (1@ 275.00)	275.00			
MINOR	Multi-counter (5 counters with totalizer) (4@ 60.50)	242.00			
TOTAL		<u>13,148.87</u>			
	HOSPITAL SUPPLY				
21-59 316-58 322-59	Kardex Cabinets and Tables	1,791.00			
322-59	Biological Refrigerator	656.88			
PLANT UNDER \$500	Multiple Cylinder Truck 24 cylinder capacity (2@ 125.00)	250.00			
TOTAL		<u>2,697.88</u>			
	LABORATORY				
149-59	Tissue Freezing Unit	500.00			
150-59	Coleman Flame Photometer	554.00			
151-59	Edison Voicewriters	2,931.00			



NO /	ITEM	COST	CAN BE YES	DELETED NO	COMMENT OR APPROVED AMOUNT
	LABORATORY				
2-59	Blood Bank Refrigerator	979.00			
3-59	Adding Machine	406.23			
4-59	Beckman Flame Photometer	752.40			
5-59	Electrophoresis Apparatus	513.00			
6-59	Analytrol Integrating and Recording Colorimeter	1,529.00			
7-59	Polaroid Copymaker	109.95			
8-59	Speedlights	1,671.89			
9-59	Electronic Flash Unit	344.80			
10-59	Centrifuge (3@ 155.32)	465.96			
"	Hycel, small set (1@ 374.00)	374.00			
"	Klett-Summerson Photoelectric Colorimeter (1@ 226.00)	226.00			
"	Serological Water Bath, extra large (1@ 462.00)	462.00			
11-59	L6640-412-9000 Centrifuge, size 1 (3@ 611.00)	1,833.00			
"	L6640-412-9300 Centrifuge, size 2 (1@ 793.00)	793.00			
"	Paragon tray drawer cabinet (1@ 330.00)	330.00			
"	Bryan-Garry Pipette Rotor (4@ 98.45)	393.80			
"	Technicaon filing cabinet for photomicrographs (1@ 355.55)	355.55			
"	GSA 7110-242-5349, Bookcase section, steel (8@ 23.90)	191.20			
"	Barnstead Bantam Demineral- izer (3@ 91.30)	273.90			
12-59	VI	15,753.68			
	LEGAL				
1-59	Edison Voicewriter	617.91			
"	IC	617.91			
	MEDICAL LIBRARY				
5-59	Kard-a-film Reader	522.50			
"	...	522.50			
	MEDICINE				
7-59	Spior-Kynograph	825.00			

NO 38/	ITEM	COST	CAN BE DELETED YES	NO	COMMENT OR APPROVED AMOUNT
	MEDICINE				
0-59	Bird Residual Breathers	1,667.60			
STANDARD FOR	LG515-309-5100 Basal Metabol- ism Apparatus	322.00			
ML		<u>2,814.60</u>			
	NEUROSURGERY				
"	16525-604-0125 Illuminator X-ray Film (1@ 134.00)	134.00			
ML		<u>134.00</u>			
	OCCUPATIONAL THERAPY				
NT ER \$500	Sewing Machine, treadle model (1@ 187.00)	187.50			
ML		<u>187.50</u>			
	OPERATING SERVICES				
3-59	Trumatic Folder; Flatwork Ironer	36,804.00			
2-59	Mop Trucks	1,020.00			
0-59	Floor Polishers	2,948.00			
NT ER \$500	Vacuum Cleaner, Commercial, Fullman Model JB 152 (3@ 143.55)	430.65			
ML		<u>41,203.45</u>			
	PHYSICAL MEDICINE				
3-59	Electric Stimulator	827.64			
ML		<u>827.64</u>			
	PUBLIC WORKS				
3-59	Telescope Ladder	715.00			
4-59	Pool Cleaner	700.00			
3-59	Refrigerators	1,700.00			
NT ER \$500	Kett Power Driven Wood Borer (1@ 330.00)	330.00			
"	Diaphragm Pump, 3" (1@ 440.00)	440.00			
"	Sickle Bar Mower (1@ 250.00)	250.00			
"	Portable Pump for chemical circulation, with tank (1@ 120.00)	120.00			
ML		<u>4,255.00</u>			

REQ. NO 60008/	ITEM	COST	CAN BE DELETED		COMMENT OR APPROVED AMOUNT
			YES	NO	
	PULMONARY FUNCTION				
3165-59	Image Intensifier	14,965.00			
3166-59	Pulmonary Function Tester	4,235.00			
3167-59	Recording Unit	7,381.50			
PLANT UNDER \$500	Gaensler-Collins Timed Vital-ometer, 6 liter (1@ 215.00)	215.00			
TOTAL		<u>26,796.50</u>			
	RADIOISOTOPE				
3169-59	Isotope Scanner	5,271.00			
3170-59	Binary Scaler	1,056.00			
TOTAL		<u>6,327.00</u>			
	RADIOLOGY				
3168-59	X-ray Film Processing Machine	34,388.00			
TOTAL		<u>34,388.00</u>			
	SURGERY				
3141-59	Ultrasonic Cleaner	9,786.00			
3142-59	Surgical Operating Table	2,726.63			
3143-59	Canerondyne	616.00			
PLANT UNDER \$500	Thermotic Thoracic Pump, Gomco Model 765 (@ 308.00)	616.00			
TOTAL		<u>13,744.63</u>			
	VARIOUS				
3160-59	Electric Typewriters	12,999.86			
3174-59	Air Conditioners	3,000.00			
TOTAL		<u>15,999.86</u>			
	EYE CLINIC				
PLANT UNDER \$500	Multiple Pattern Field Screener (Harrington) (1@ 203.50)	203.50			
TOTAL		<u>203.50</u>			
	NURSE CORPS INDOCTRINATION				
PLANT UNDER \$500	Screen, projection, motion picture 8' x 10' (1@ 140.00)	140.00			
TOTAL		<u>140.00</u>			
	HOSPITAL CORPS QTRS				
	Clothing lockers (60008/3139-58)	8,900.00			
61-59	Qtrs B. Furniture	965.00			

Items of equipment required at the present time but not requested on the
 1959 Budget.

EQ. NO. 0008/	ITEM	COST	CAN BE YES	DELETED NO	COMMENT OR APPROVED AMOUNT
	<u>MAIN X-RAY</u>				
TUB	Automatic Contrast Injector	275.00			
	<u>LABORATORY</u>				
TUB	Dust Sampler	161.00			
TUB	Clay Adams Micro- hematocrit Cent.	231.00			
	<u>DEPENDENTS</u>				
TUB	Hoyer Patient Lifter	205.00			
	<u>PUBLIC WORKS</u>				
TUB	2 Trim-O-Edgers @ \$95.00 ea.	190.00			
	<u>ADMISSION ROOM</u>				
TUB	2 Resusitator-Inhalators @ \$308.98 ea.	617.96			
	TOTAL	1,679.96			

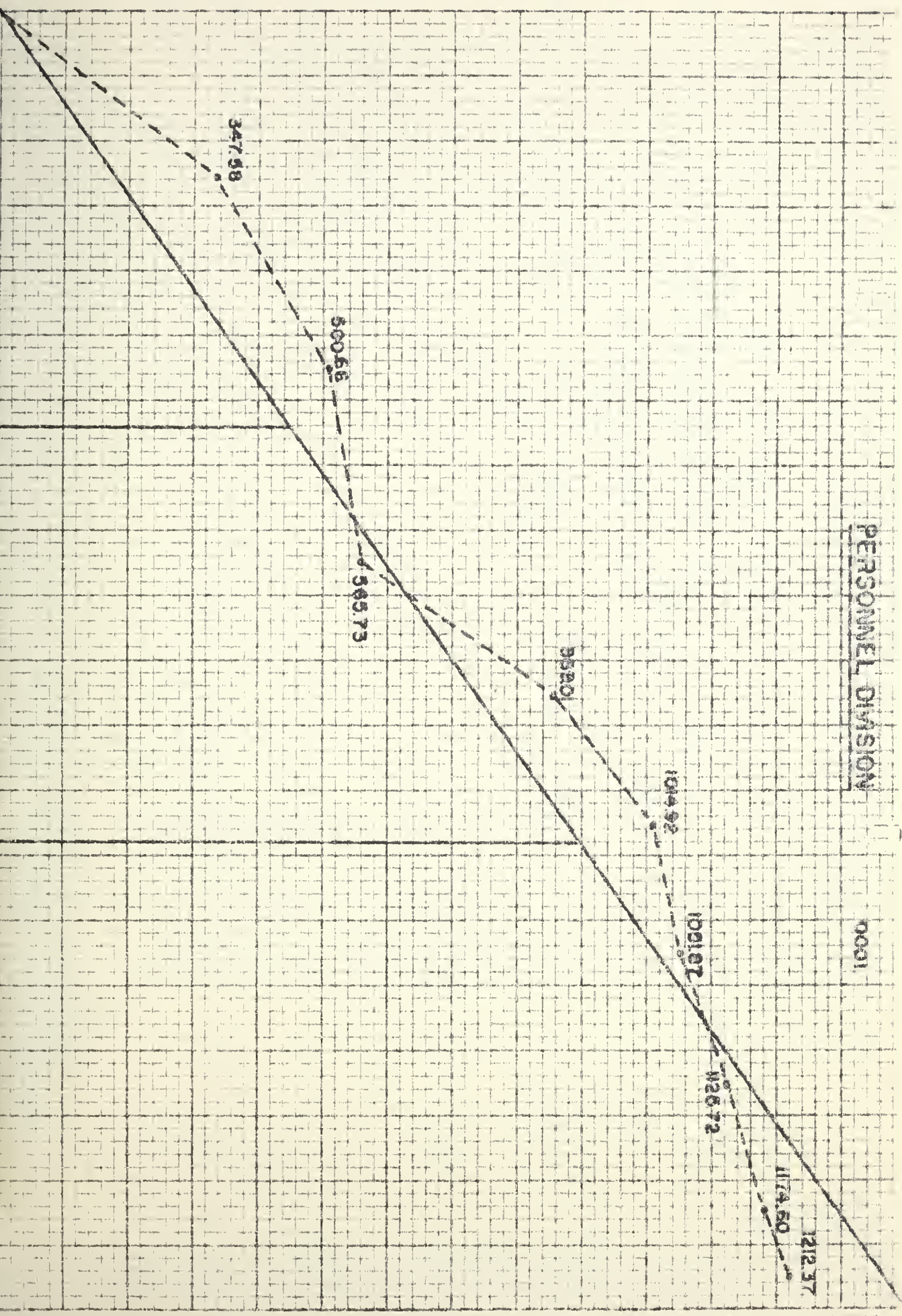
1. NO. 08/	ITEM	COST	CAN BE DELETED		COMMENT OR APPROVED AMOUNT
			YES	NO	
52-	HOSPITAL CORPS QTRS				
52-59	Qtrs D Furniture	697.00			
53-59	Qtrs C Furniture	550.72			
72-59	WAVES Barracks	3,47.28			
TAL		<u>14,300.00</u>			
TAL ALL	DEPARTMENTS	<u>256,675.00</u>			

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PERSONNEL DIVISION

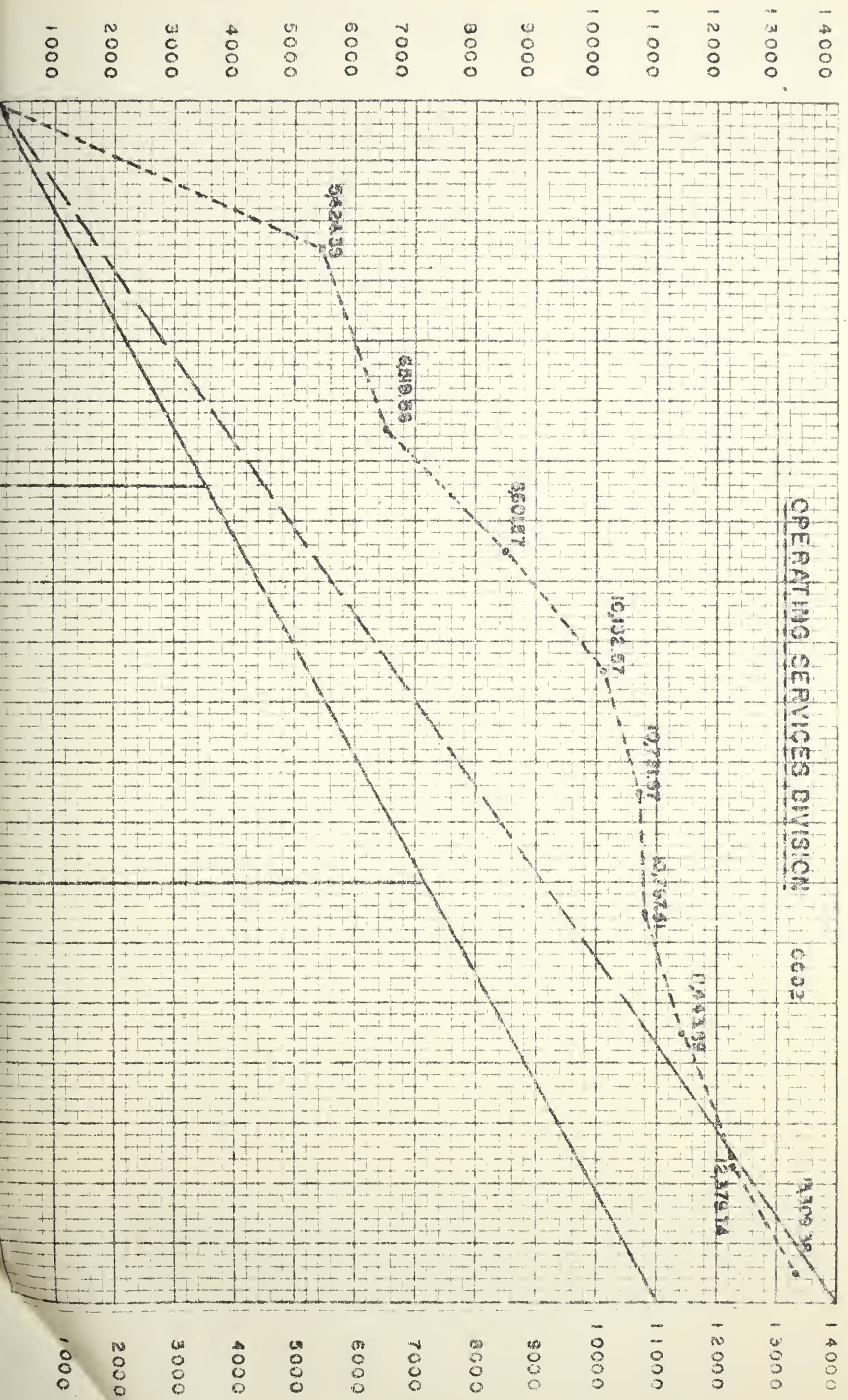
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OPERATING SERVICES DIVISION

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FOOD SERVICE DIVISION

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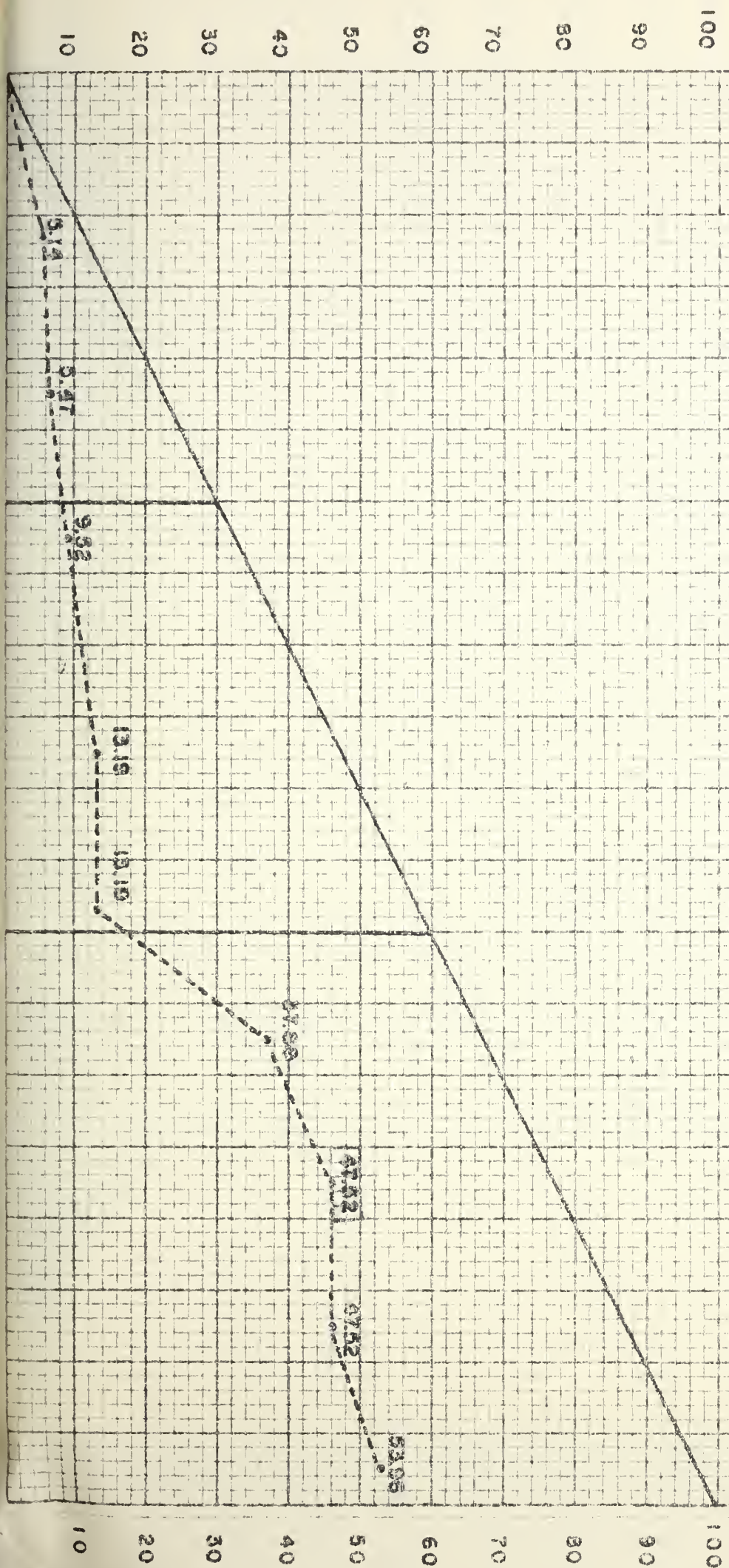
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SPECIAL SERVICES DIVISION

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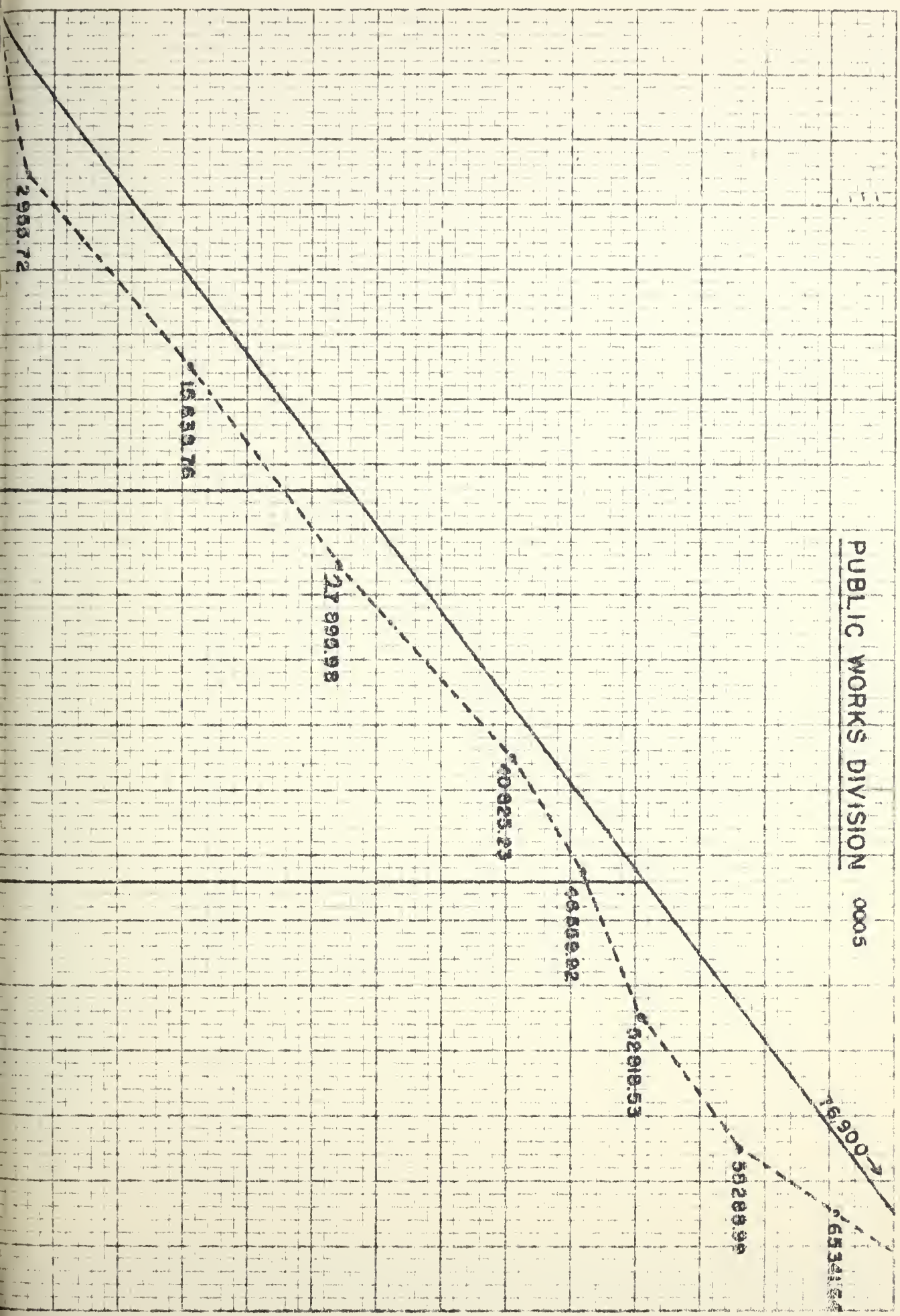
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PUBLIC WORKS DIVISION 0005



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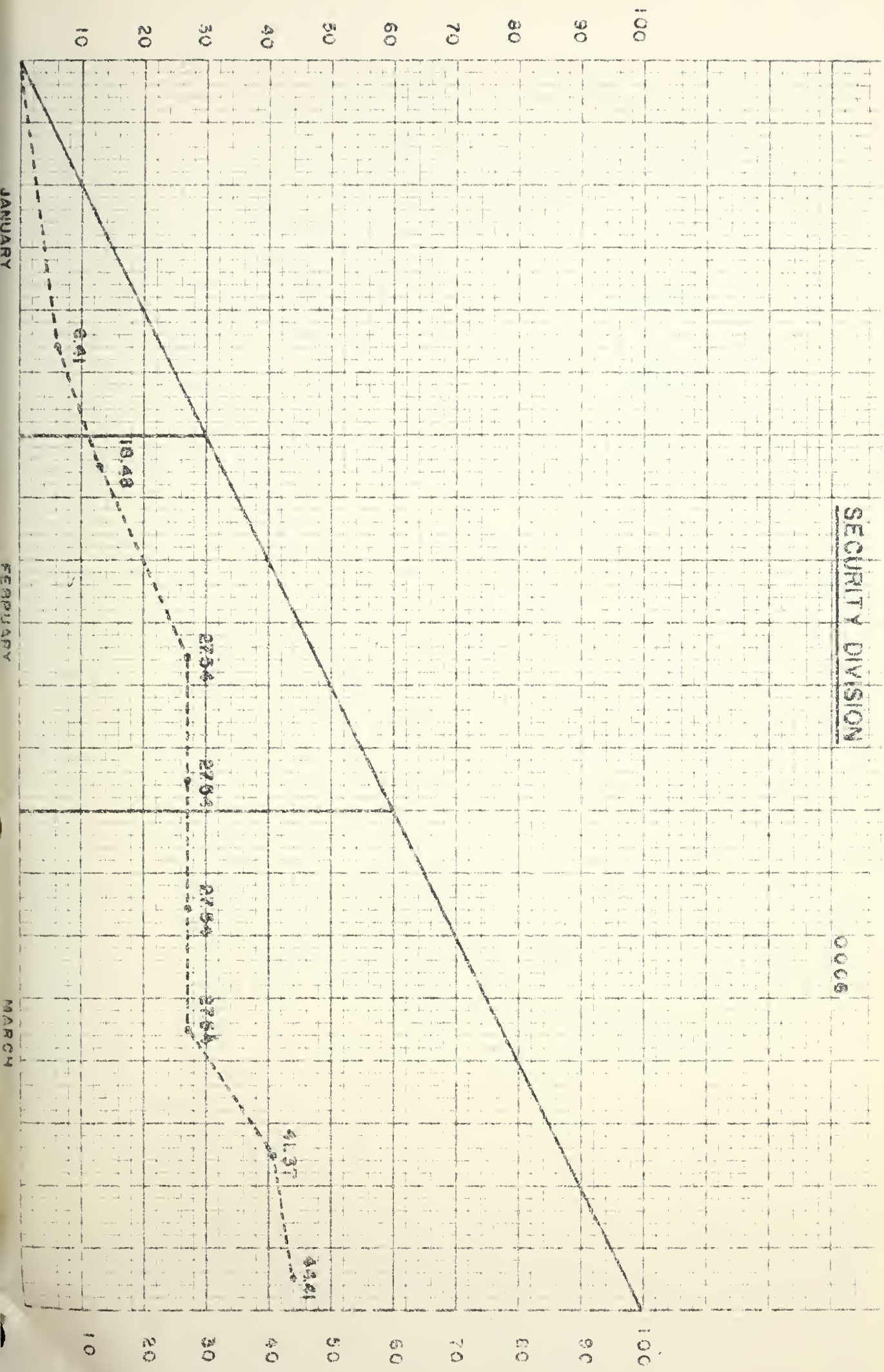
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SECURITY DIVISION

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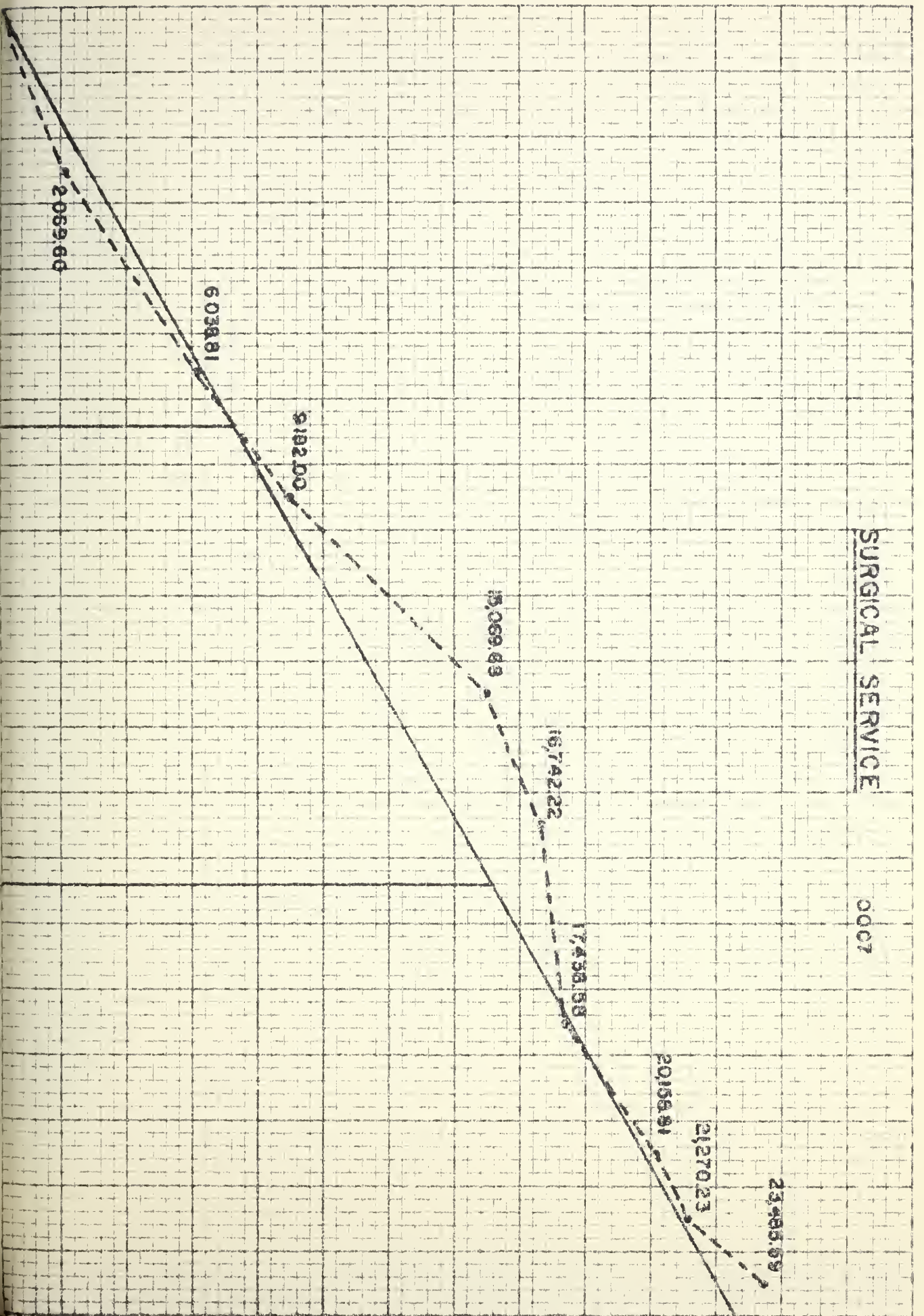
SURGICAL SERVICE

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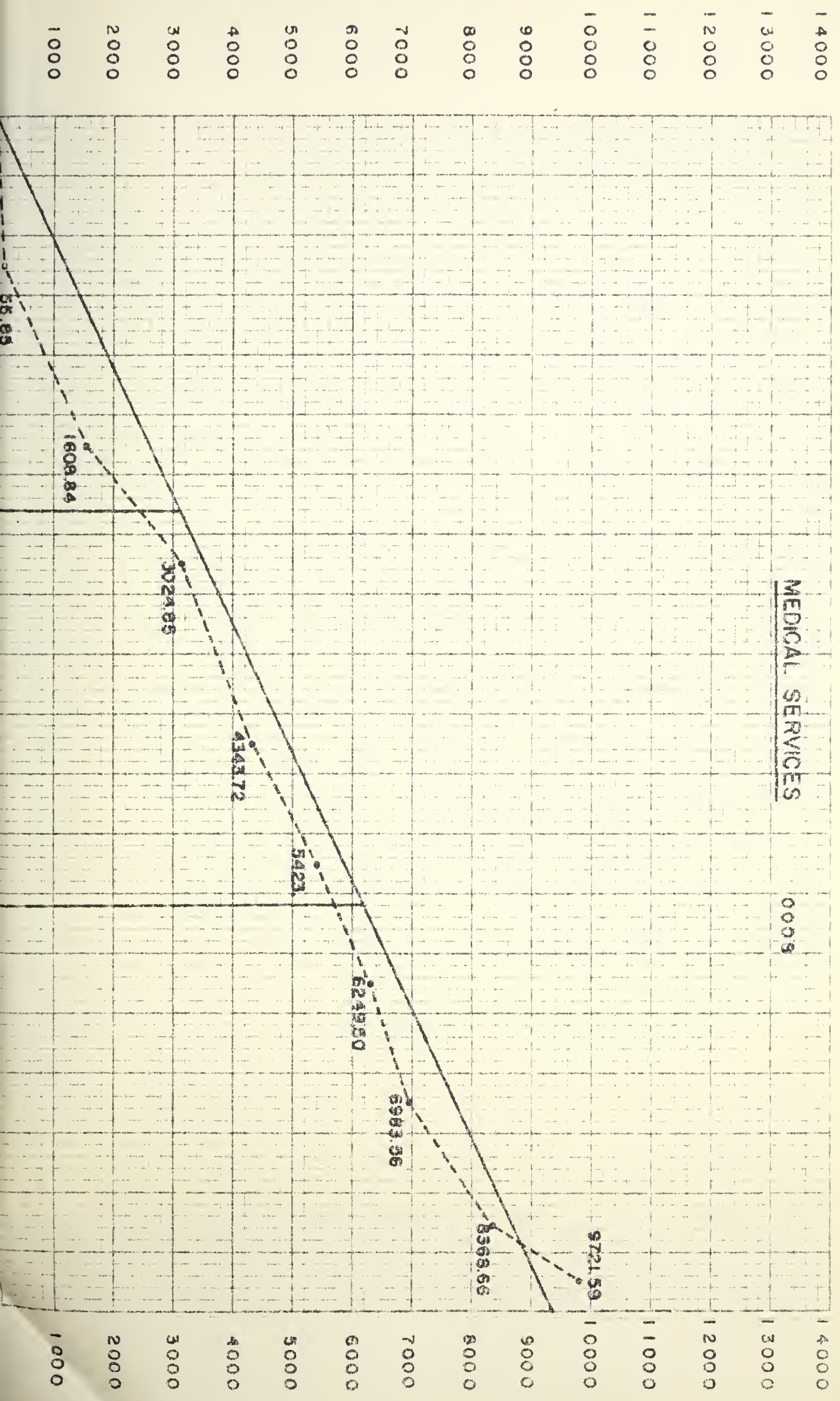
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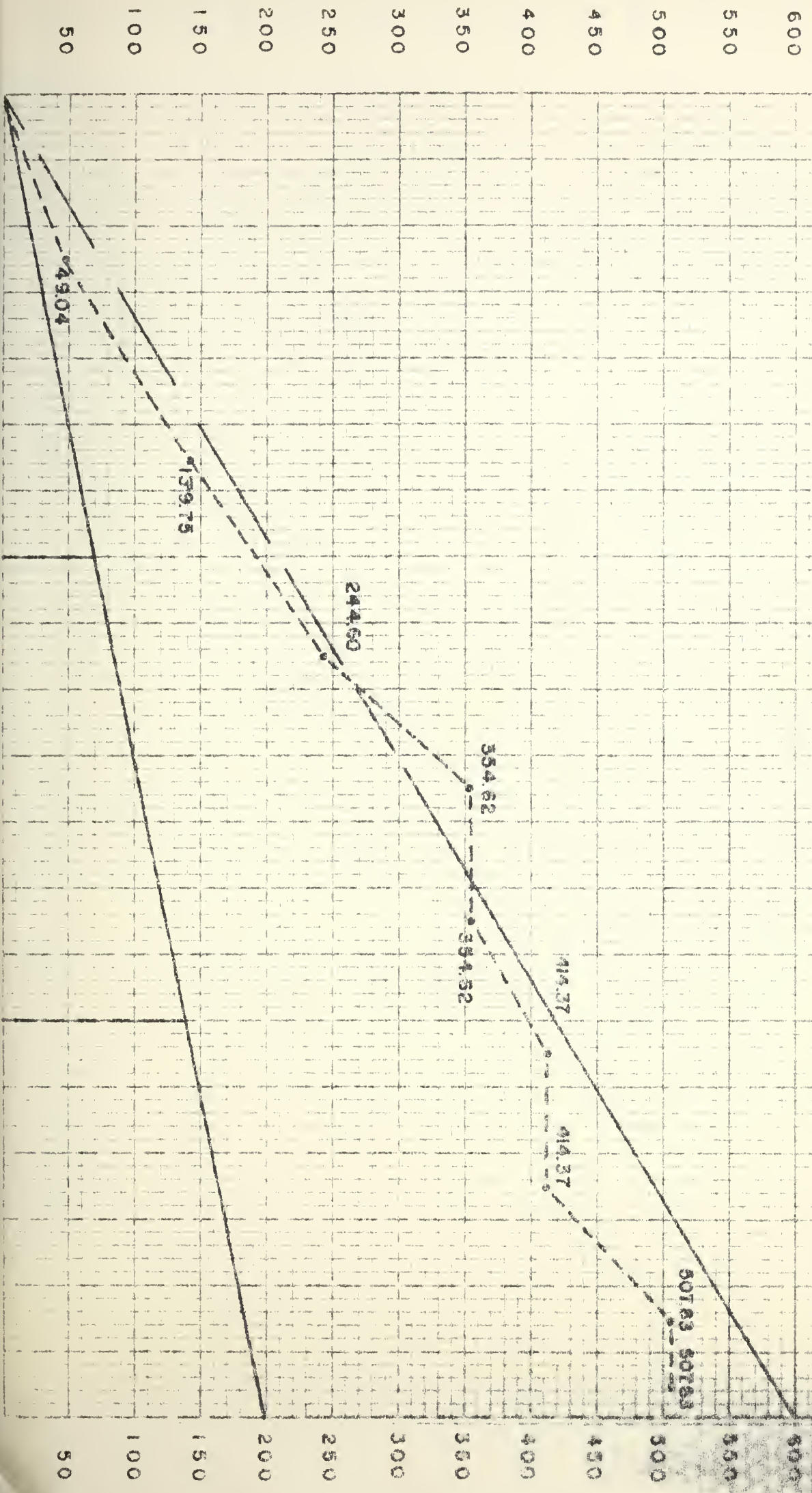
MEDICAL SERVICES

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TUBERCULOSIS SERVICE

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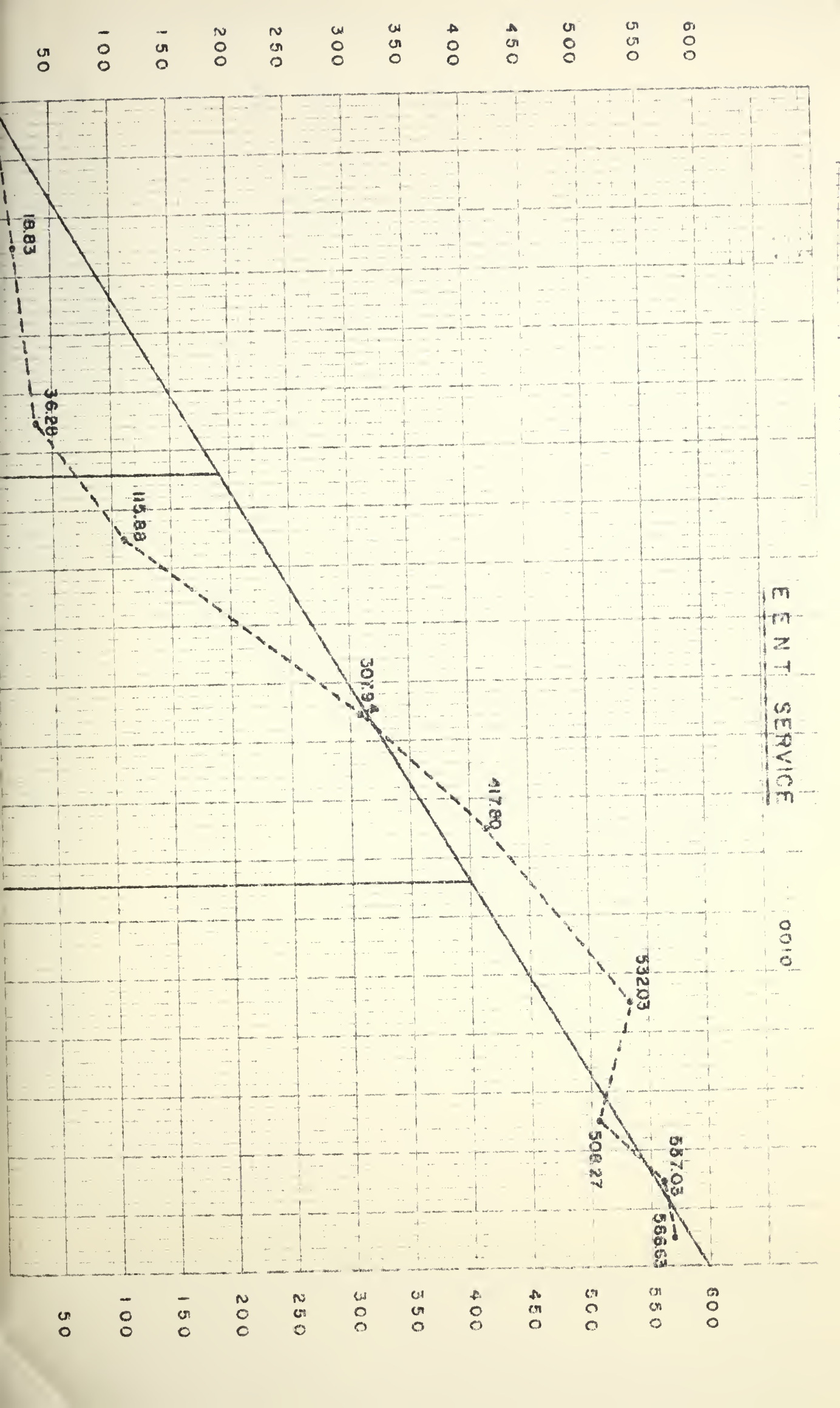
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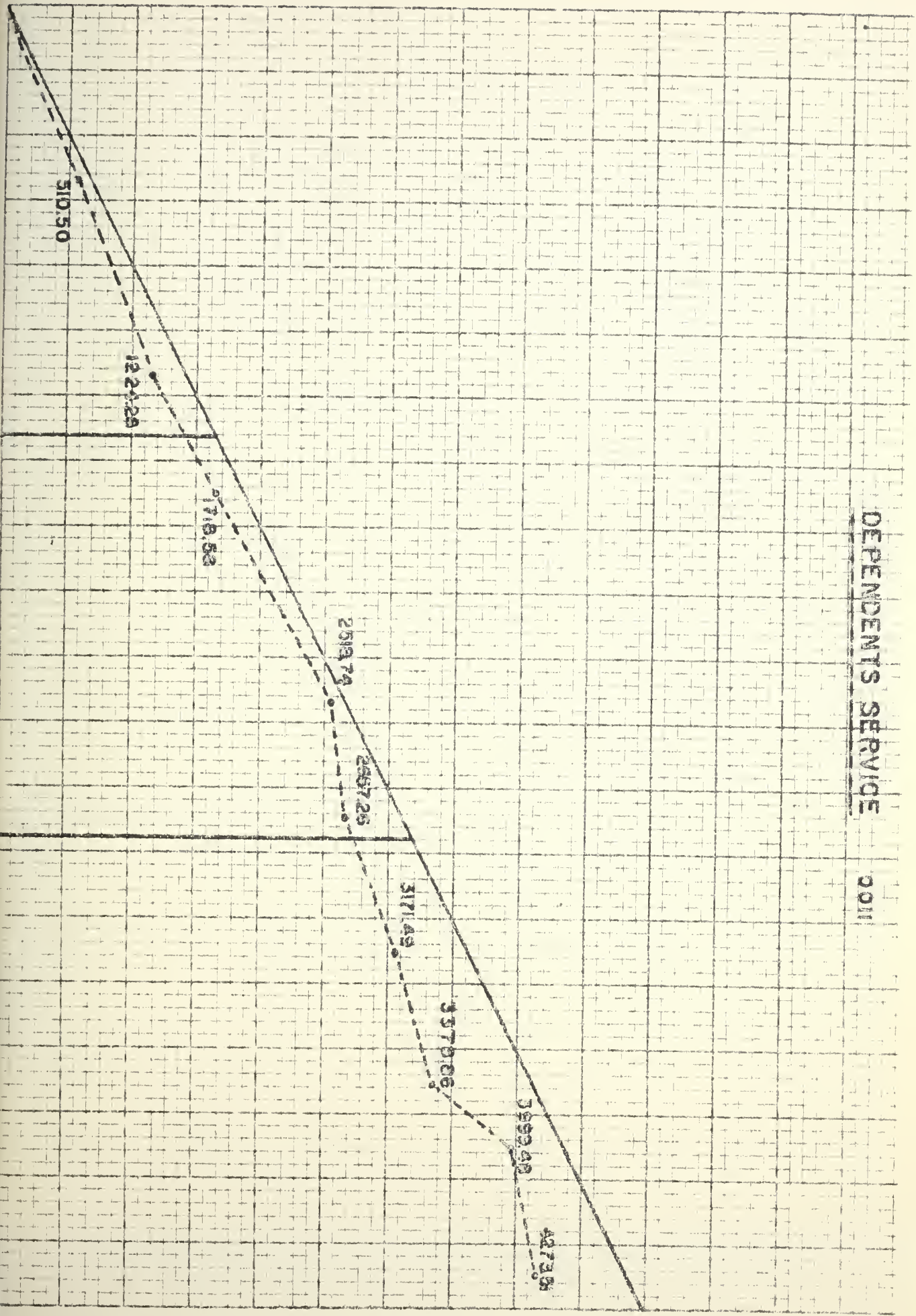
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DEPENDENTS SERVICE

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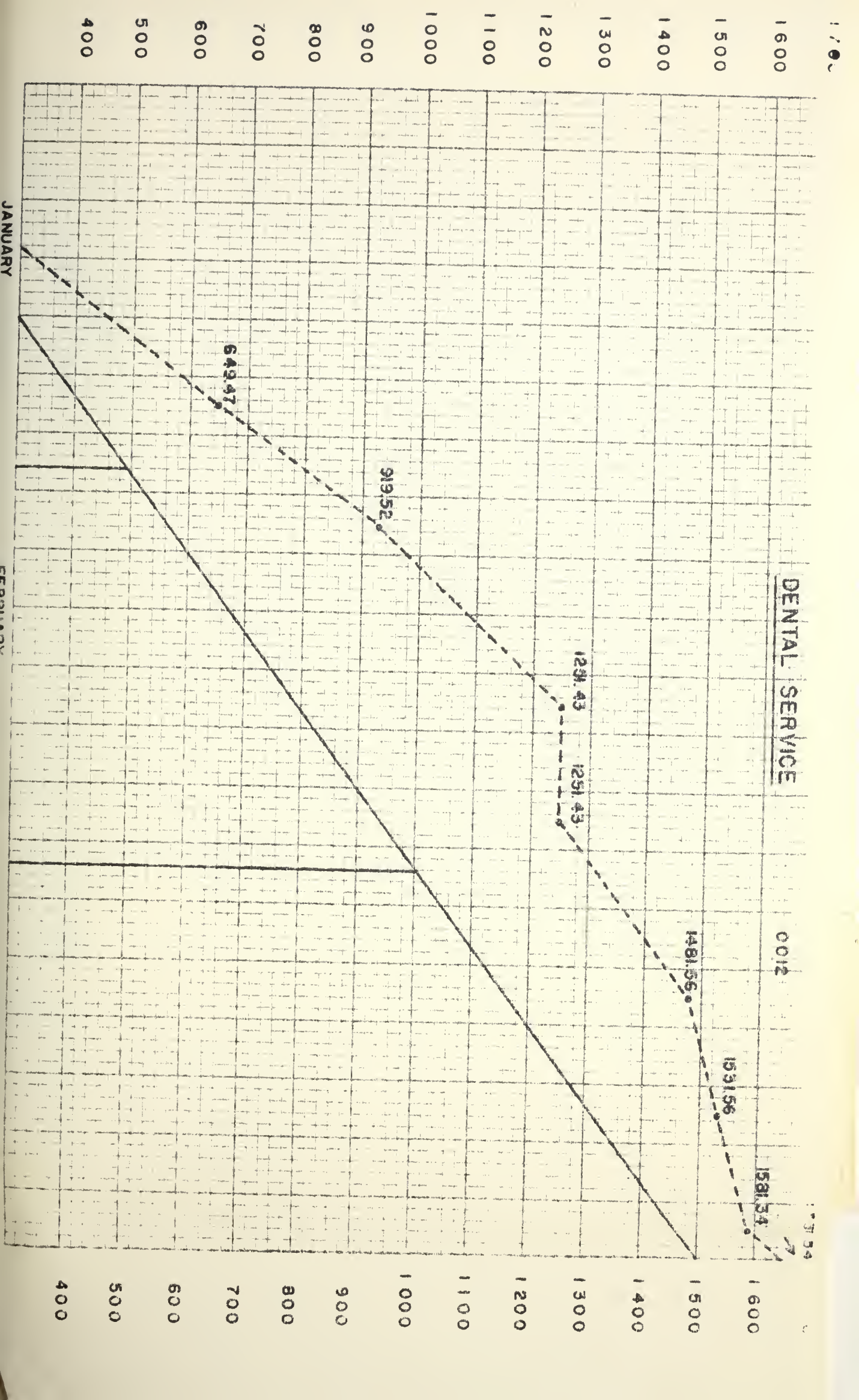
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DENTAL SERVICE

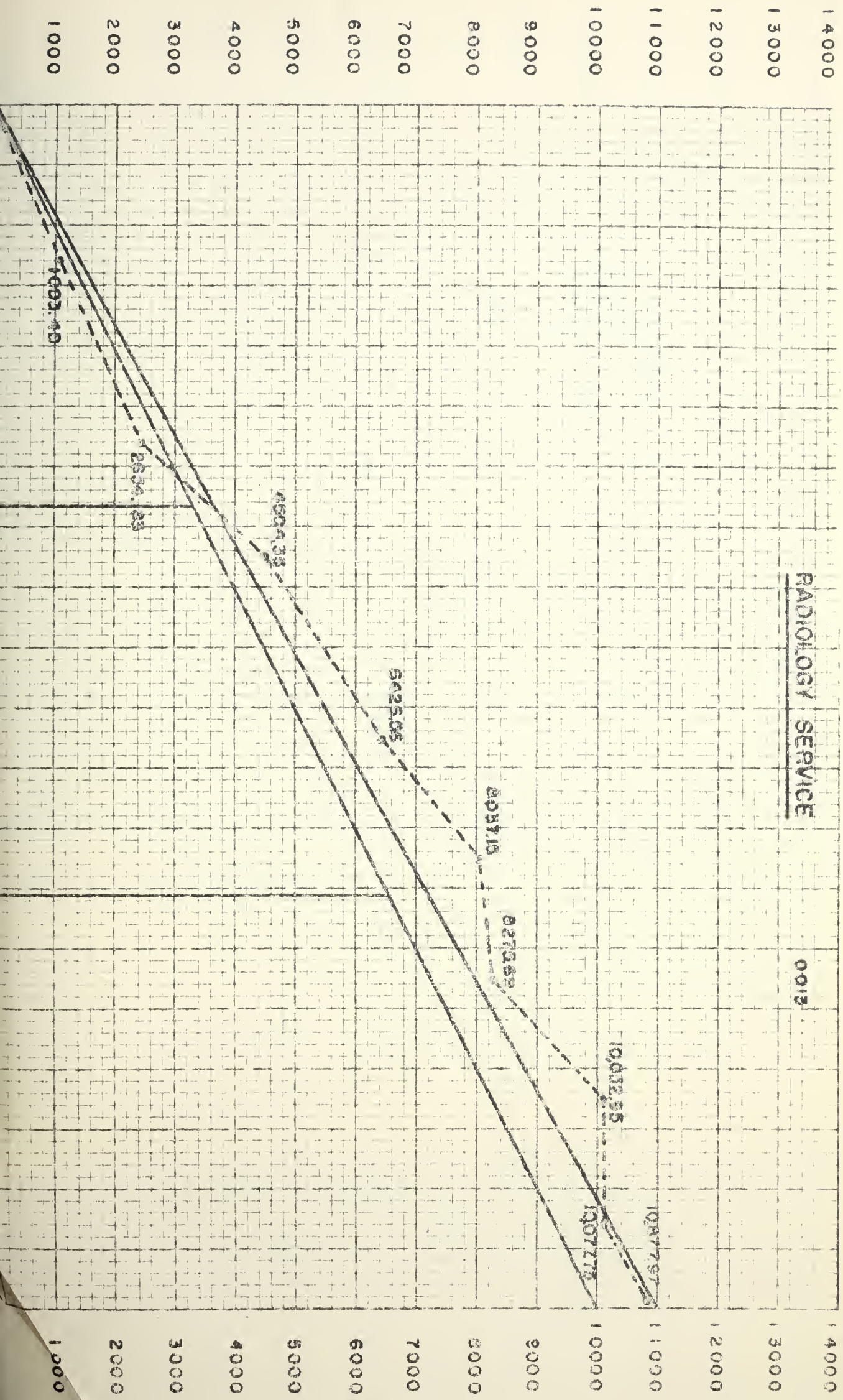
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RADIOLOGY SERVICE

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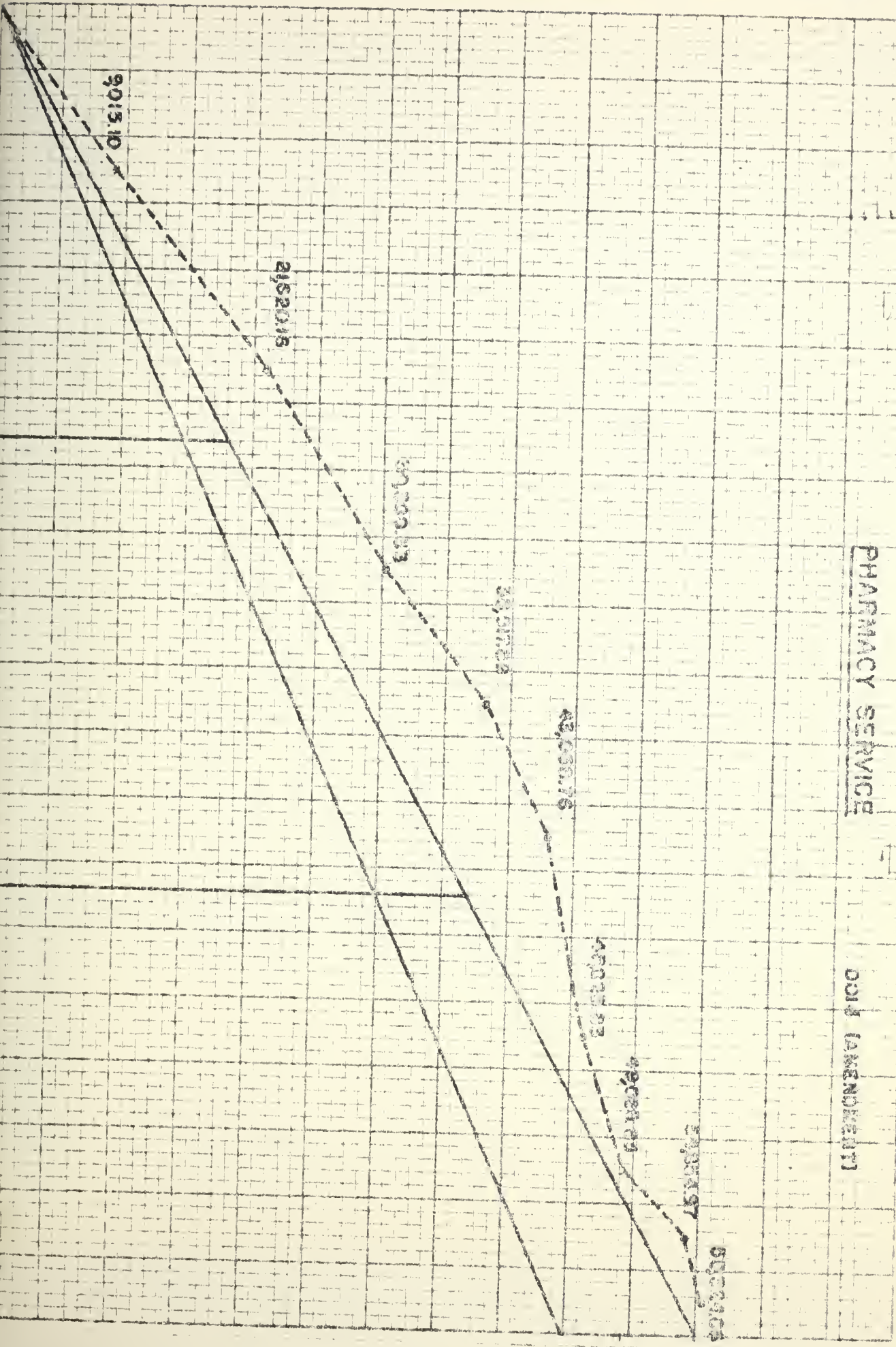
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PHARMACY SERVICE

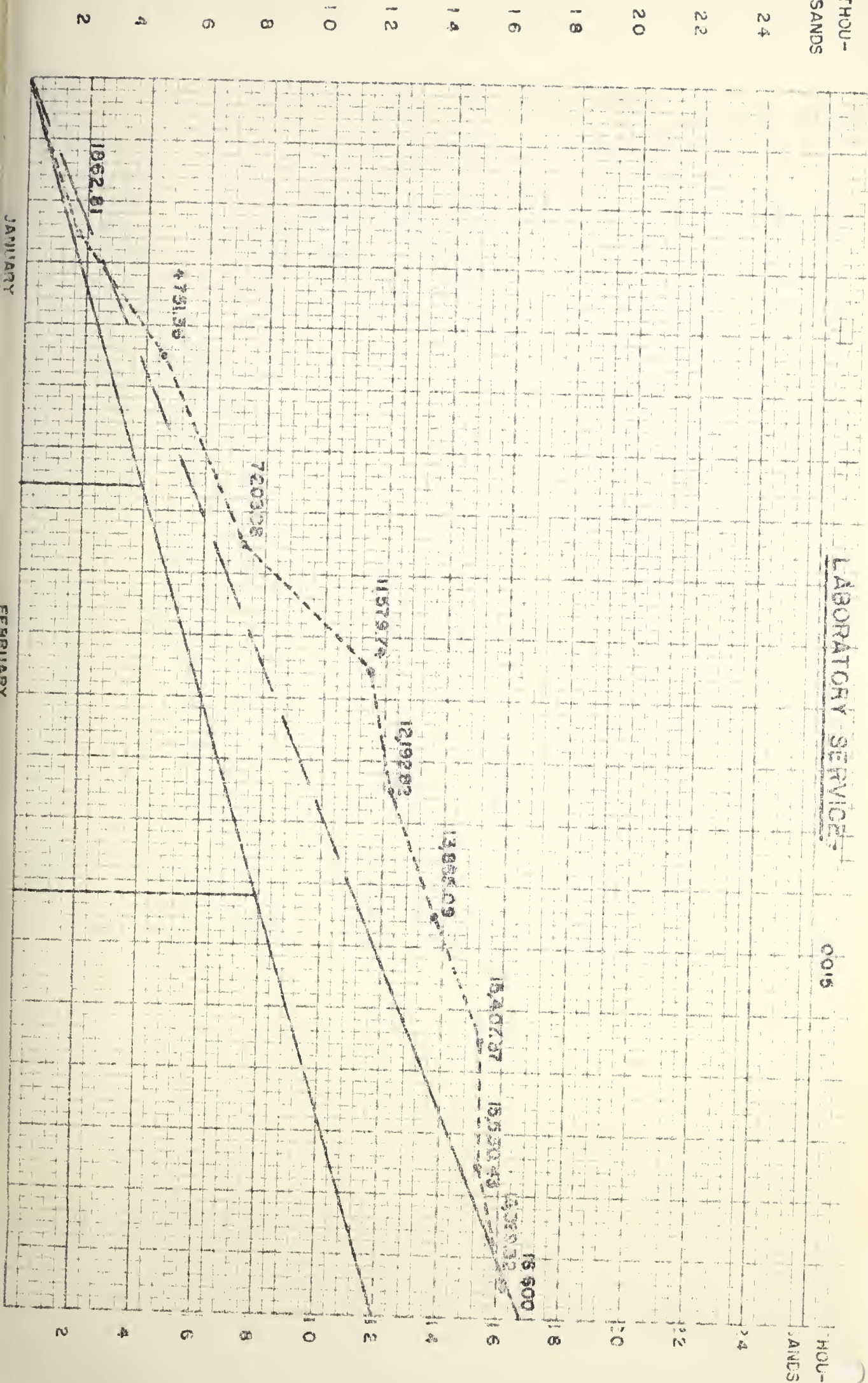
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ORTHOPEDIC SERVICE

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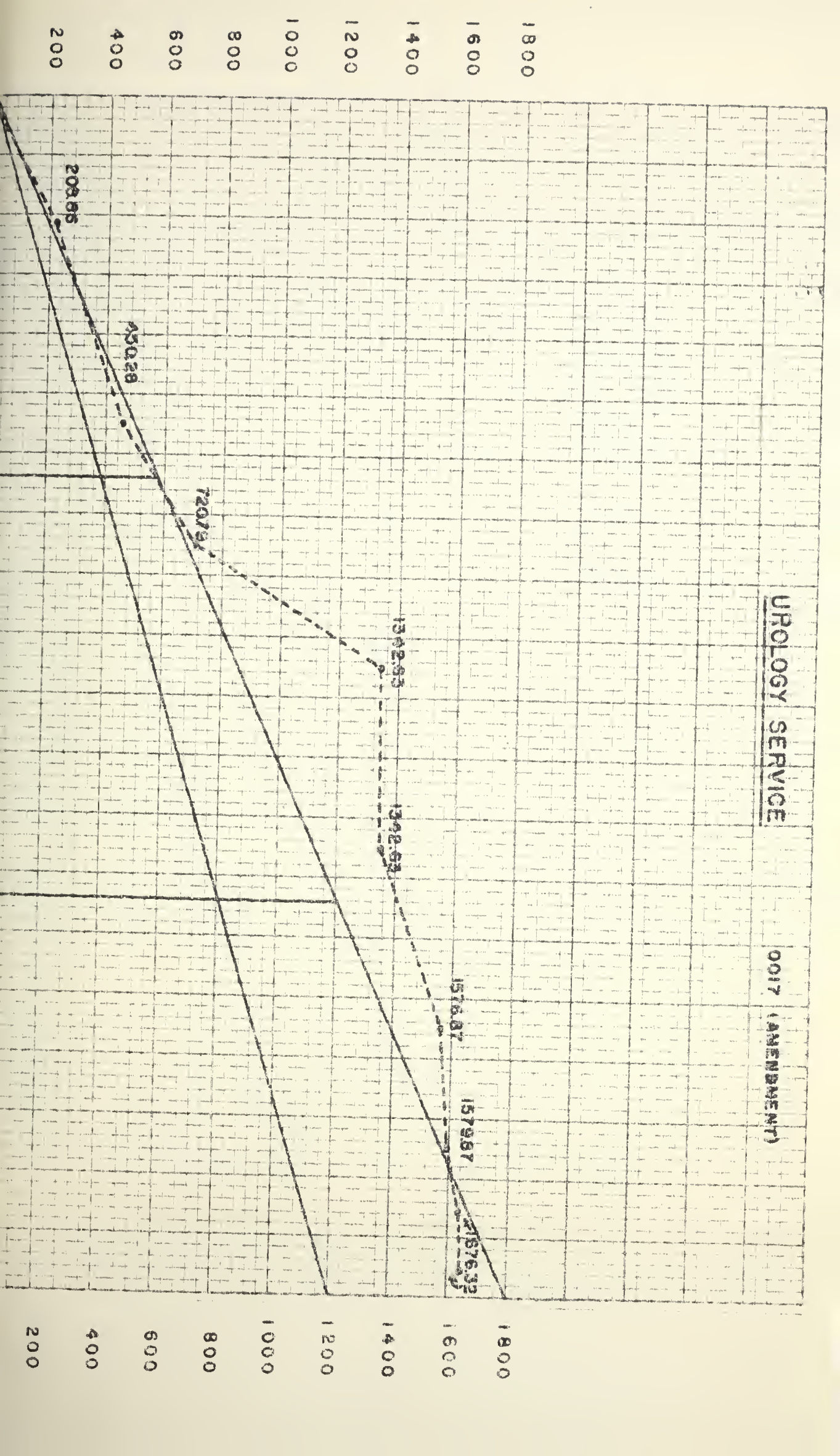
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UROLOGY SERVICE

0017 (AMENDMENT)

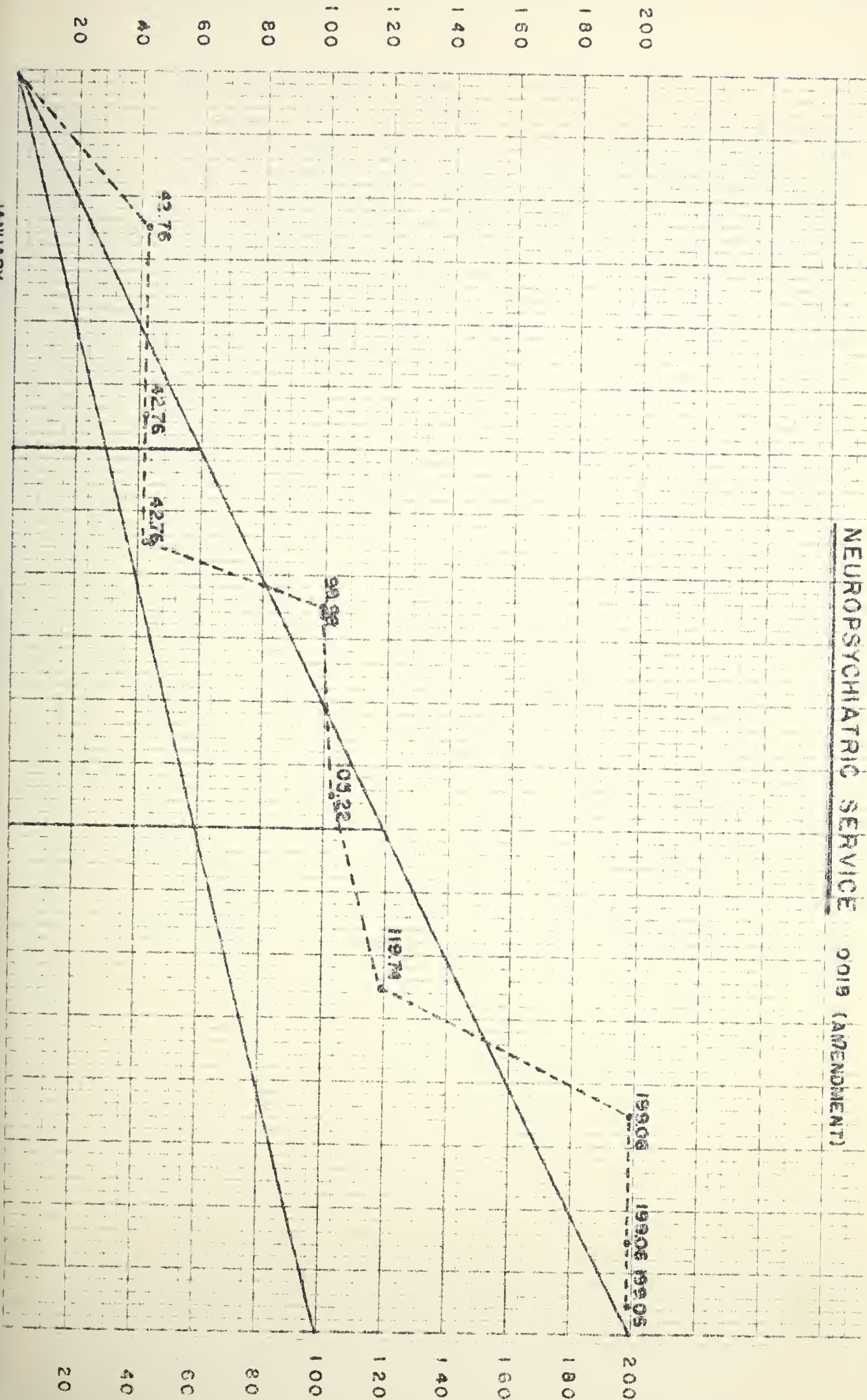


NEUROPSYCHIATRIC SERVICE 0019 (AMENDMENT)

JANUARY

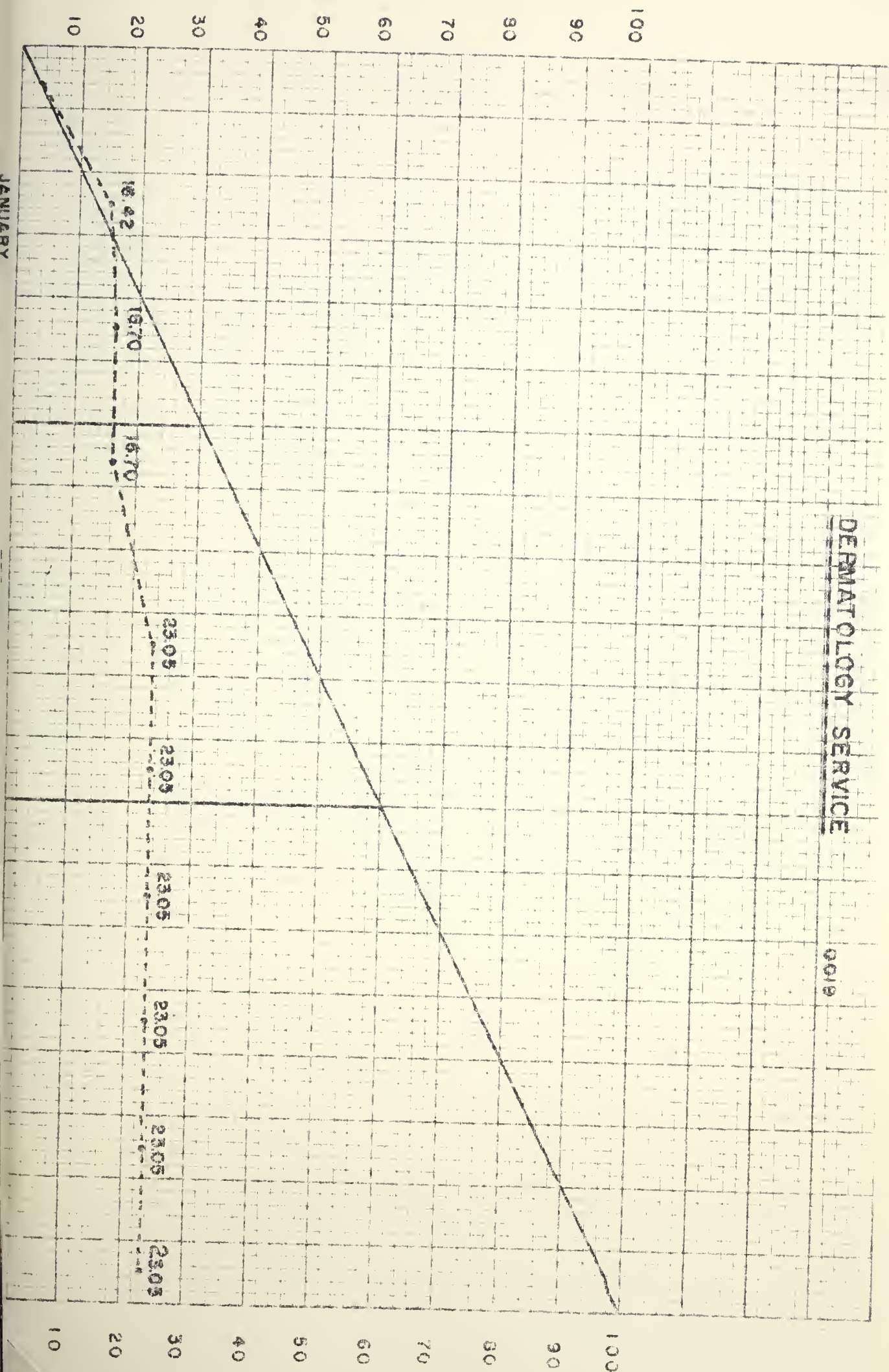
FEBRUARY

MARCH



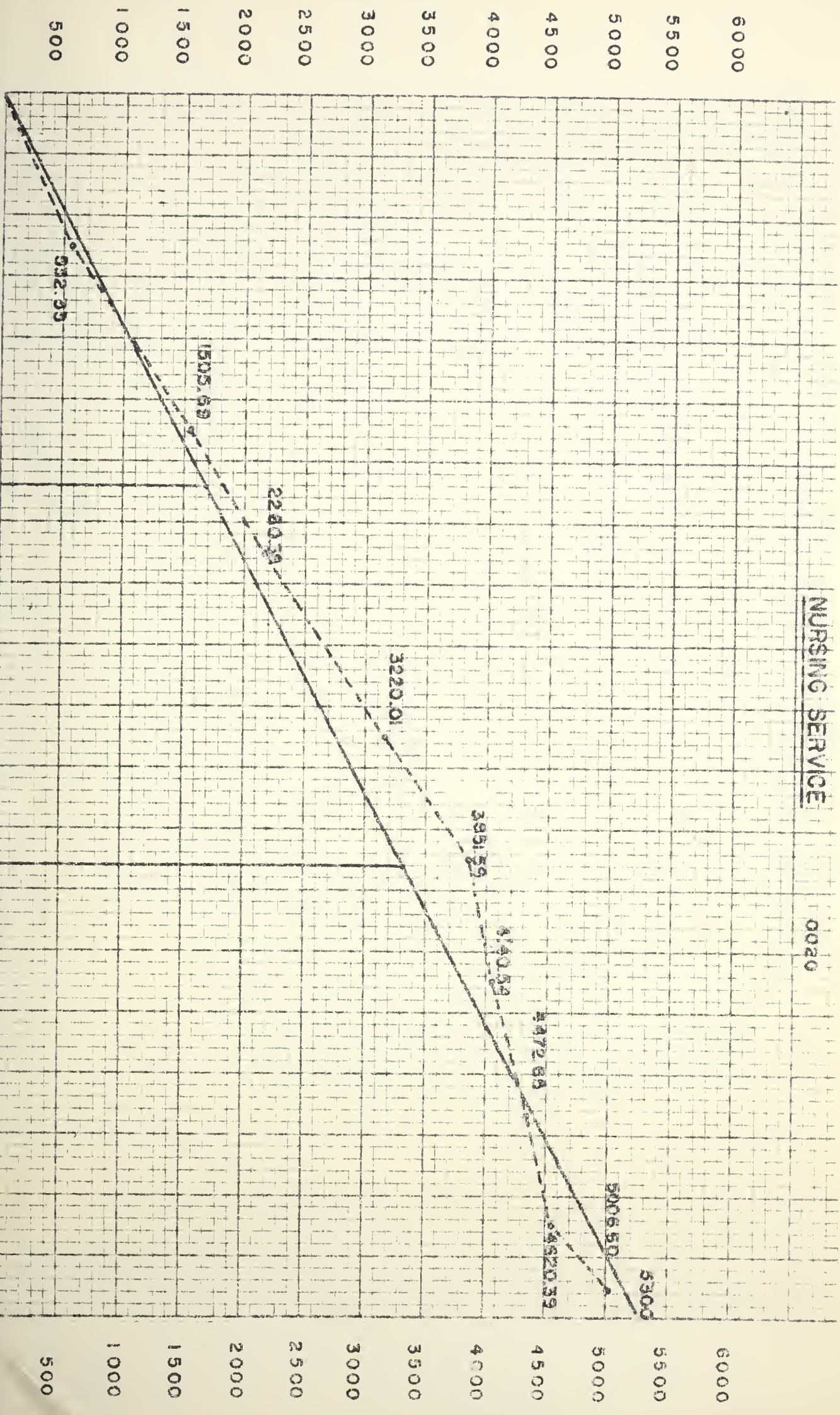
DERMATOLOGY SERVICE

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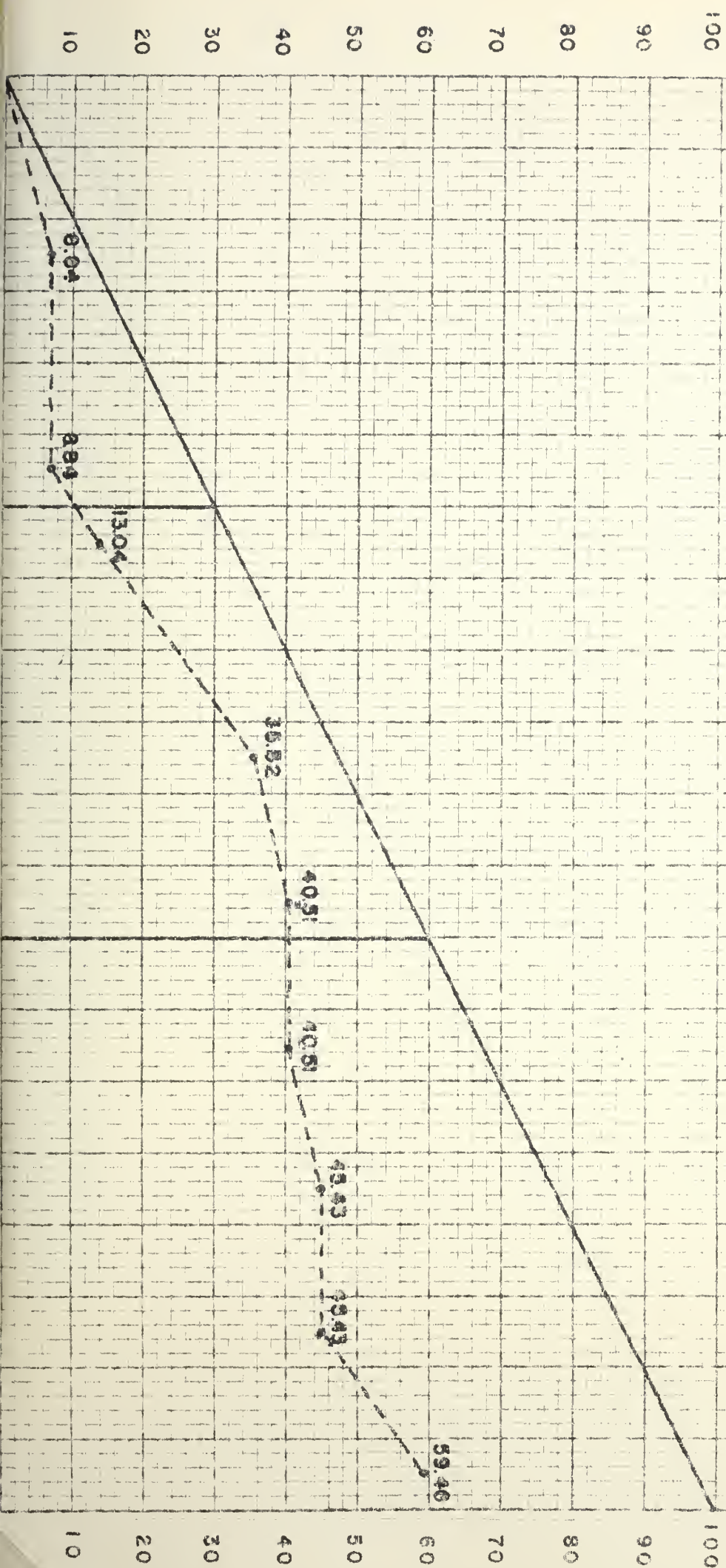
NURSING SERVICE

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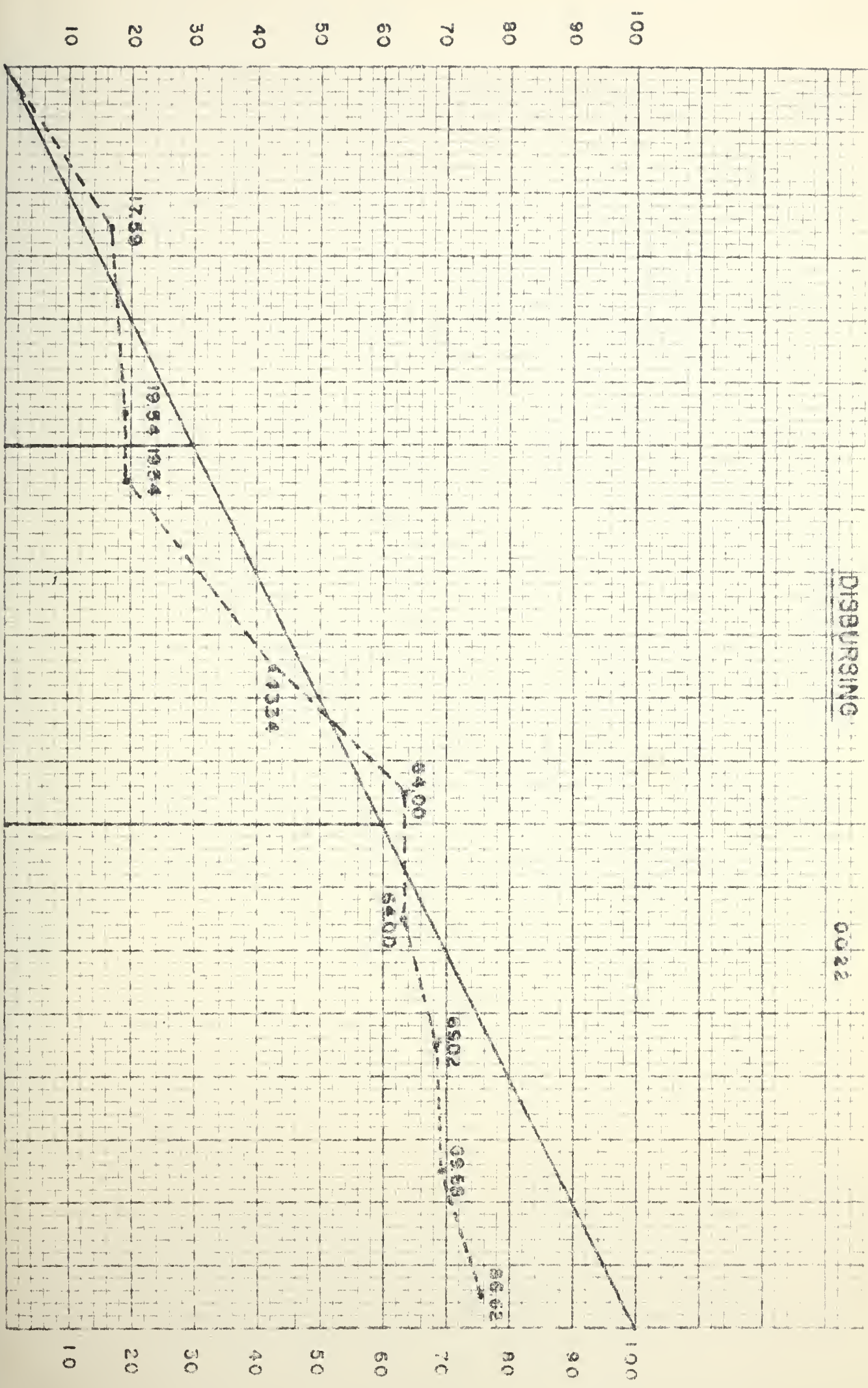
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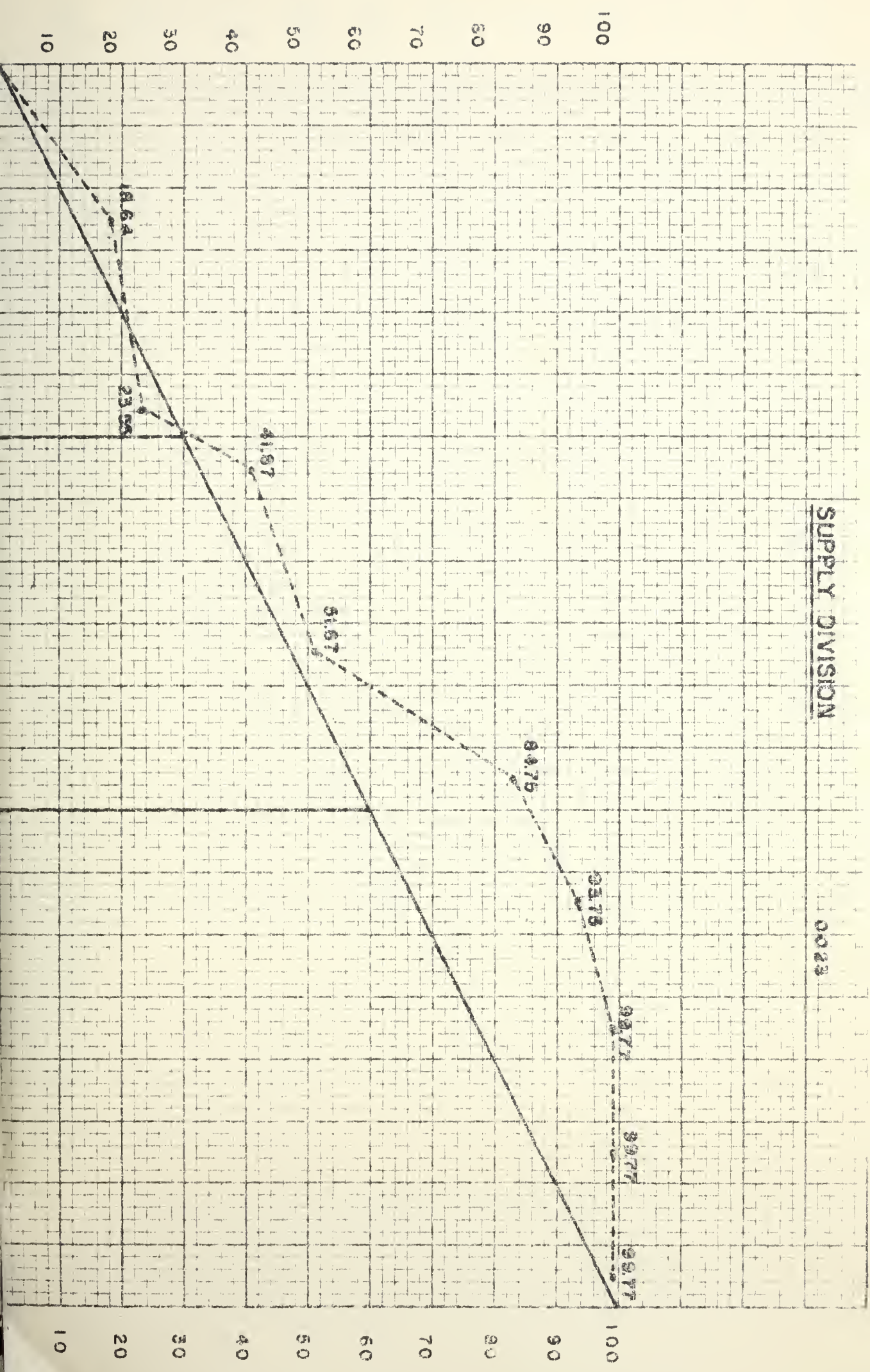
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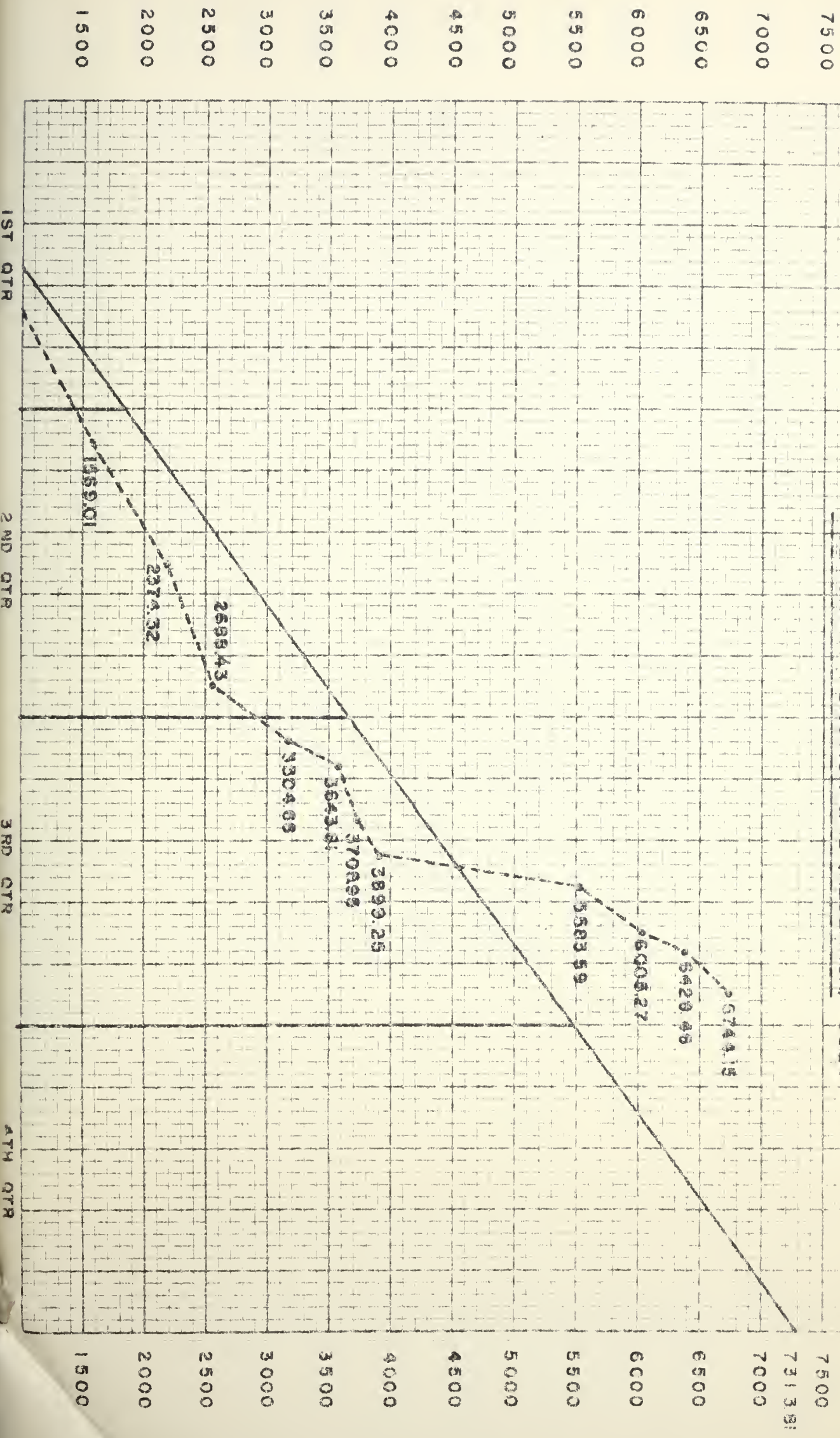


DISBURSING

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RADIOISOTOPE LABORATORY (RESEARCH) 0022

